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Indonesia's Political Evolution Over the Next 5-10 years

Richard W. Baker



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Introduction¹

Indonesia today is probably best described as being in a hiatus phase in a long-term process of evolution toward a more participatory and responsive political system. The initial burst of reformist energy released in 1998 with the fall of former President Soeharto has largely dissipated. The pro-reform elements are now divided by their individual interests and agendas, and those who benefited in various ways from the status quo ante have recovered their footing and continue to dominate much of the political and governmental processes.

This does not mean that nothing positive is happening during the current period of political stasis. Dramatic changes have already occurred, and it takes time for these changes to shake down and be absorbed. A great deal of adjustment and consolidation is going on, and a great deal of energy is still being put into assessing the current situation and formulating proposals for the next steps. This is probably an essential aspect of any revolutionary process – and Indonesia is clearly in the midst of a fundamental, if incremental, political revolution.

The long-term prognosis remains basically positive. Powerful new political forces have been unleashed, and structural changes forced through during the first rush of reforms have opened up avenues for wider inputs and influence that probably cannot be closed again. However, the present reality remains highly problematic, and improvement will take time, with many potholes and bumps remaining in the road ahead. The major—and currently unanswerable—questions are what will be the pace of this process, and how conflicted and costly to the society the various steps along the way will be.

The major implication of this assessment for the United States (and other external supporters of democratic reform in Indonesia) is that expectations of further positive systemic change in Indonesia's political system should be kept very modest for the foreseeable future. Correspondingly, the donor community's expectations of outsiders' ability to promote change need to be kept modest. Unrealistic expectations—and over-ambitious levels of investment—are only likely to produce further disillusionment, recriminations, and alienation on all sides.

¹ The author wishes to thank Barbara S. Harvey and Donald McFetridge for helpful comments and suggestions on an earlier draft of this report, and Lyall Breckon for overall guidance as well as a variety of additional source materials. Responsibility for any remaining errors as well as the judgments in the report rests with the author.

This paper comprises in three sections. The first provides an overview of current political dynamics in Indonesia; the second addresses certain key factors in the equation of Indonesia's political evolution. The third discusses U.S.-Indonesian relations and a possible U.S. approach to that relationship.

Current political dynamics

The Indonesian political scene in mid 2002 presents a relatively gloomy picture, particularly compared with the potential for progress and democratic renewal opened by the fall of Soeharto in 1998. Four years and three presidents later, it is hard—and unrealistic—to be very optimistic for further dramatic reforms in the near- or even medium-term future. The major impression gained from discussions in the first part of 2002 with a broad range of Indonesians,² in government, politics, press, academia, and think tanks, is of pessimism and considerable frustration over the loss of momentum in political (and economic) reform.

This broad observation must be qualified in two ways. First, the initial hopes and expectations of change following the fall of Soeharto were inevitably excessive, particularly given the magnitude of the problems facing the country. It was simply too much to expect that Indonesia could overcome both its immediate economic and political crises and its systemic problems in a matter of just a few years. In fact, by comparison with some other countries undergoing a democratic transition, Indonesia has not done that badly. Second, there seems at this writing to be little real danger of a truly violent explosion (as opposed to sporadic incidents) in the near term, either from the alienated political activists or from the general public. Among other things, except for small (though active and possibly growing) fringe elements, the reform movement is not oriented toward violence, and the common people are currently too preoccupied with the struggles of day-to-day living to have much energy for concerted political action.

Finally, a few genuine redeeming bright spots can be found in the present landscape, particularly in Indonesia's growing and maturing civil society. And, for the longer term, several important dynamic forces can be identified that should, over time, drive further positive change. These include especially a vibrant and highly critical press and a competitive electoral system that provides an outlet for political energy and demands. However, because these forces seem likely to work only gradually, the best that can probably be hoped for Indonesia over the next decade is a process of disjointed incrementalism—periods of slow progress or even stasis and stalemate punctuated by breakthroughs of varying magnitude. Arguably this could also be a more stable and less socially costly process than a more rapid

² These contacts took place primarily during a visit to Jakarta 11-27 February 2002.

and traumatic pace of change. But whatever the actual course of events, it will be largely the result of a complex interplay of forces rather than any conscious overall policy or direction.

A bleak landscape



Residents of East Jakarta clean the Cipinang River of garbage and sludge carried by floods in February 2002. The river is used for garbage due to lack of a dump, and by the city as a source of raw water.³

The flooding that inundated as much as a third of Jakarta⁴ in early February 2002 was a physical reflection of the broader state of politics and government in Indonesia at this time. The garbage, sewage, stench, disease, and misery in the streets and (mostly poorer) residential areas of the capital mirrored the continuing systemic corruption, self-seeking, incompetence, and unresponsiveness of the political and governmental systems. In a moment of frustration during this period, President Megawati herself likened the government (bureaucracy) to a garbage dump.⁵ Unlike Megawati's outburst, official government pronouncements more often are only exercises in fabrication, evasion, wishful thinking, or simple denial. The reform effort has encountered increasing obstacles as the various vested interests maneuver to protect their privileged

³ *The Jakarta Post* online, March 24, 2002; photo by P.J. Leo.

⁴ The floods left 30 dead, Rp. 10 trillion in damages, and some 300,000 people driven from their homes. See "East flood canal project depends on CGI loans," *The Jakarta Post* online, June 28, 2002.

⁵ See "President Megawati's Statement 'Over The Top,'" *Tempo Interaktif*, February 13, 2002. She has also publicly accused many of her own party members of engaging in "money politics." "Many DPI Perjuangan cadres involved in money politics: Megawati," *The Jakarta Post* online, March 18, 2002.

positions or buy into the still-copious flow of resources. It can be argued that the international donor/creditor community itself, as represented by the IMF, World Bank, Consultative Group on Indonesia (CGI), and Paris Club, is to a considerable degree complicit in a shell game whereby conditionalities have been continually, if grudgingly, adjusted and optimistic projections regularly conjured up to cover for Indonesian non-performance.⁶ (This in turn suggests a tacit and probably accurate recognition on the part of the donors/creditors, presumably well understood on the Indonesian side, that the international community has as much or more to lose from an Indonesian default or collapse as do the Indonesian decision-makers.)

Indonesian and foreign observers alike are, to varying degrees, pessimistic over prospects for the immediate (5-year) future. As one long-time activist remarked, the so-called “1966 Generation” saw the hopes and promises of the early post-Sukarno period transformed into an increasingly centralized, exclusionary, and corrupted system under Soeharto. Now, following Soeharto’s fall, they are witnessing a similar undermining of the reform efforts—the major difference being that this time the major cause is collective resistance from the entrenched elite and a lack of leadership rather than consolidation of power by a single leader or group.

The uncertain center

Current President Megawati Sukarnoputri made a surprisingly strong start in the first six weeks after assuming the presidency on July 23, 2001. She made a series of bold statements, generally well-received appointments, and promising initiatives (e.g., on Aceh and Papua⁷). However, following this initial spurt of activity, she quickly reverted to the more distant and Delphic style that had characterized her early performance as a political party leader, presidential candidate, and then vice president. She now appears uncertain as to how to deal with emerging issues and

⁶ At the November 2001 meeting of the Consultative Group on Indonesia (the World Bank-led donors consortium), Indonesian economic State Minister Kwik Kian Gie frankly admitted that any new assistance to Indonesia was bound to be corrupted and diverted, citing estimates that as much as 30 percent of loans during the Soeharto period was lost to graft. See “No guarantee loans safe from corruption: Kwik,” *The Jakarta Post* online, November 9, 2001. For a sense of the ongoing, frequently circular dialogue between the Indonesian government and donors, see also: “RI donors wary of new loan pledges, WB says,” *The Jakarta Post* online, November 6, 2001; “RI deserves CGI support: IMF,” *The Jakarta Post* online, November 7, 2001; “5.7b in loans for Indonesia,” *Straits Times* online, November 9, 2001; and “Donor countries warn Jakarta of ‘time bomb’,” *Straits Times*, June 14, 2002. As the latest IMF review team began a visit to Jakarta at the end of July 2002, IMF’s resident representative offered yet another optimistic assessment of the likelihood that Indonesia would meet its macroeconomic targets, in the face of widespread skepticism on this point among Indonesian observers. See “Single digit inflation still possible, says IMF,” *The Jakarta Post* online, July 31, 2002.

⁷ These steps included the early signing of the Aceh autonomy law accompanied by a meeting with Acehese leaders, and a public apology for the suffering inflicted on the Acehese and Papuan peoples.

says little other than occasional high-sounding official pronouncements. She does not hold press conferences, and reporters assigned to the palace have reportedly been instructed not to ask her questions in informal encounters. Megawati seems to have confirmed political observers' earlier assessment of her as lacking vision and self-confidence, vacillating, and weak.

In the absence of firm leadership and clear direction from the president, Megawati's government seems adrift. Ministers are reluctant to take bold steps without support from the top; internal squabbling and policy disputes are constraining action in a number of areas. Other forces, including radical Islamists, have taken the political initiative. This was most visible in the aftermath of the September 11 events, when Megawati backed down from her initial endorsement of the U.S. reaction in the face of withering fire from a number of Islamic voices in Indonesia, including her vice president. The response of her police and military intelligence chiefs to reports of Indonesian connections with Al Qaeda and other international terrorist activities in late 2001 was basically one of denial and temporizing, which isolated and embarrassed the Indonesian government in the eyes of its immediate neighbors, as well as the United States. Prosecution of human rights violations and other high-level excesses has proceeded in a slow, halting manner, with frequent reversals and other less than satisfactory outcomes.

Within her immediate circle, Megawati's husband Taufik Kiemas, who has no formal government position and is a political liability due to his association with corrupt business elements, has acquired growing influence. He scored successes in late 2001 by attaining appointment as head of an official delegation to China by and undermining the presidential gatekeeper, career bureaucrat Bambang Kesowo, by engineering a proposal to divide Kesowo's dual position of Cabinet Secretary and State Secretary—which would give his own associates better access to Megawati.⁸

It remains the general consensus that Megawati will stay in office until the 2004 election, if only because both the public and the political elite want a period of stability at the top. However, Megawati's public standing had deteriorated so far in early 2002 that some of her advisers concluded that only a dramatic

⁸ Timothy Mapes, "Megawati's Husband Plays Sizable Role In Her Government," *Asian Wall Street Journal*, March 19, 2002, p. A1. Kiemas has been supported in his campaign against Kesowo by allies in Megawati's PDI-P party, and reportedly wants to replace Kesowo in one or both positions with another close PDI-P associate. While Kesowo has clearly restricted access to Megawati, it seems that this practice reflects Megawati's own preferences, and it is not clear that the kind of people who would likely gain access through Kiemas' influence would have a net positive impact on Megawati's decision-making. Megawati herself is clearly ambivalent on this subject, and by mid-year 2002 she had not yet approved the proposal to reorganize the secretariat. "PDI-P continues moves to unseat Bambang," *The Jakarta Post* online, February 12, 2002; "Megawati opts to keep silent on calls to revamp cabinet," *The Jakarta Post* online, June 17, 2002; "Mega's leadership falls short of expectations," *The Jakarta Post* online, June 23, 2002.

improvement in her performance over the year would give her any chance of winning re-election in 2004. This calculus may have been at the root of a sudden spate of actions taken by Megawati in the second half of March—including the arrest and detention of House Speaker Akbar Tandjung on a long standing corruption charge, the launching of the trial of Soeharto's son Tommy for the murder of a Supreme Court justice, the reversal of an earlier government decision to extend the agreed period for insolvent banks to repay emergency loans, and the announcement (after months of delays and indecision) of the sale of the largest insolvent bank (BCA) to a foreign-led consortium. But such was the level of skepticism about Megawati that there was immediate questioning in the press and political circles as to whether these actions reflected a genuine recovery of political will on Megawati's part or whether they were simply signs of desperation, short-term dramatic maneuvers that would not be followed through and would not change the fundamental situation or dynamics.⁹ And although Akbar was subsequently brought to trial, the BCA sale went through, and in July Tommy was sentenced to a 15-year jail term, the skepticism persisted.

⁹ See, for example, "Public urged to be cautious against Golkar ploy," *The Jakarta Post* online, March 11, 2002; "Jakarta's road to privatization remains rocky," Reuters (Singapore) March 15, 2002; "Don't put high hopes in new BCA owner," *The Jakarta Post* online, March 18, 2002; and "Doubts loom as Tommy's trial begins," *The Jakarta Post* online, March 20, 2002.

The political elite—involution and fragmentation

In Indonesia today it is common practice in both the media and academic discussions of the political scene to distinguish between the political elite and the rest of the national elite.¹⁰ Accordingly, in this paper, the term “political elite” is used to describe that group of people, primarily elected politicians with direct involvement in and influence over party and governmental political processes, plus others closely associated with these figures and deriving direct benefit from the relationship. Other members of the broad national elite, even those with an interest in political affairs, who do not regularly or directly participate in the political decision-making process—including journalists, intellectuals, and activists in NGOs and other interest groups—are not included in this core group. (This is admittedly a rather invidious distinction, with the “political elite” generally held responsible for the problems afflicting the political system and the broader group considered more sympathetic to reforms. And of course there are many who bridge the two groups, including some members of the parliament and government. Nevertheless, it is a useful distinction between those who are most immediately involved in the political process and therefore directly responsible—for good or ill—and those who are interested but more on the periphery.)

In the 1950s the pioneering anthropologist of modern Indonesia, Clifford Geertz, put forward the concept of “agricultural involution” to describe the phenomenon in rural Java whereby a growing population was able to squeeze out a living from a constant amount of land even in the absence of major technological advances. The ready inference from Geertz’ analysis was that there must be some limit to which this process could be extended without triggering systemic collapse.¹¹ Today it could be said that Indonesian elite politics—at least at the national level—is characterized by a process of “political involution,” whereby increasing numbers of interested parties are trying to tap into the existing pool of political resources. The fall of Soeharto in 1998 brought a burst of political energy and activism, and many new parties and candidates contested the national elections in 1999. However, the political parties that dominated the Soeharto-era parliament, the DPR (which processed the new electoral legislation), instituted a proportional representation system that enabled the party leaders to ensure both that many old-

¹⁰ Australian scholar Max Lane has offered the following explanation of the Indonesian term *elit politik*: “The alienation of the professional politicians of the parties in the legislature from the rest of society has created the term *elit politik* as a term with specific negative connotations, inferring disinterest in the concerns and welfare of the mass of ordinary people.” “‘Reformasi’ disenfranchised: Sutiyo and Komnas Ham,” *Jakarta Post* online, July 20, 2002.

¹¹ Clifford Geertz, *Agricultural Involution: The Processes of Ecological Change in Indonesia* (Berkeley: University of California Press, 1963). A capsule description of involution is found on pages 80-82. Geertz’ own prophetic assessment of the state that Indonesia had reached at that time was that “political, economic, and intellectual disorder has reached—at least on the national level—a stage of near catastrophe.”

line party functionaries were returned to parliament and that all elected members basically owed their seats (and thus their loyalty) to their parties rather than their constituents. As a result, the new DPR quickly settled back into familiar patterns of scrambling for position, power, perquisites, and payoffs. With the parliament wielding increased power in the new political balance, the scramble is in some senses even more intense—a very human and understandable if politically dysfunctional reaction. In the absence of direct accountability to the electorate, the legislators lack any strong incentive to focus on their basic responsibilities or to make personal sacrifices for the sake of the national interest.

Patronage politics still dominates both the parties and the parliament. Embarrassing evidence emerged late in 2001 that the current government has been paying MPs to vote for its bills.¹² Without an adequate system to provide or control the financing of political parties and campaigns, influence over contracts and other government decisions over the disposal of assets (e.g., sales of forfeited assets of insolvent banks and privatization of state enterprises) is an important source of financial resources for the parties. As parties start to raise funds for the 2004 election campaign, access to these resources is even more hotly contested.

One direct result of the fight for positions and spoils is increasing political fragmentation. Internal challenges and competing factions have emerged in all five major political parties. In two cases there have been formal splits, and in two others new splinter parties have been formed. This process seems likely to reduce the percentage of the popular vote received by the leading parties in 2004 compared with their results in the 1999 national election (in which they garnered a combined 87 percent). In addition to the breakaway parties, a flood of new (or reconstituted) minor parties is again springing up to contest the 2004 election, still two years away. Already, many more parties have applied to the Ministry of Justice and Human Rights for registration for the 2004 election than the 141 that initially registered for 1999 (out of which 48 were eventually judged to have met the criteria to participate).¹³ Many of the newly registered parties are essentially vehicles for individual personalities or small groups of like-minded people or represent slight variants of the broad political orientations (Islamic and nationalist).

With so many mini-parties, most competitors cannot gain enough votes to elect a member of parliament (much less to meet the 2 percent of the popular vote

¹² “Police asked to probe alleged bribery of legislator,” *Van Zorge Report*, Vol. III, No. 17, October 1, 2001, p. 41.

¹³ Press reports of the actual number of parties registered have varied widely, but a common estimate as of mid 2002 was over 180. See “Terbentuknya kaukus politik akan untingkan rakyat,” *Kompas* online, June 11, 2002; “New parties ‘face tough election in 2004’,” *The Jakarta Post* online, July 30, 2002.

required under the current election law to compete in the next election).¹⁴ Thus it would seem logical for at least some of the smaller participants to see the value of coalescing. But this has not been the case in post-Soeharto Indonesia. Although the problem is recognized and the government has encouraged smaller parties to form alliances,¹⁵ after nearly three decades of exclusionary and manipulated politics, so many groups and individuals in Indonesia aspired to representation and leadership that an explosion of new political groupings was almost inevitable. A more basic explanation is that Indonesian political society is so fractured that alliances are difficult to form and sustain, and that even politicians who cannot realistically aspire to the top positions nevertheless see opportunities to become a faction leader or possibly one of the several deputy chairmen of parliament, with all the attached perks and access.

The regions are also showing a tendency to political fragmentation (in addition to the active secessionist movements in Aceh and Irian Jaya/Papua). Bolstered by the passage of decentralization legislation under the Habibie administration in 1999, there is steady pressure on Jakarta to create more provinces and county-level *kabupatens* and municipalities. Four new provinces (North Maluku, Gorontalo in northern Sulawesi, Bangka-Belitung—two large islands off southern Sumatra, and Banten in western Java) have been approved since the fall of Soeharto, for a total of 30, and at least 4 more are in various stages of processing or advocacy.¹⁶ The

¹⁴ Under the existing 2-percent threshold, only 6 of the 48 parties that contested the 1999 election will be eligible to participate in 2002. Under the proposed revision of the law—being debated in the DPR and actively contested by both large and small parties as of this writing—the popular vote threshold would rise to 3 percent of DPR seats in 2004 in order to qualify to contest the 2009 election (a standard that only the five top parties would have met in the 1999 election). Under the revised electoral bill, the requirements that new parties must meet to register for 2004 include having party branches in at least two-thirds of the provinces (up from one half in 1999), which, according to Indonesian analysts, would result in less than 10 parties being eligible to contest in 2004. See “Draft of new political laws may provoke polemics,” *The Jakarta Post* online, June 3, 2002; “Political draft law deemed unrealistic, unfair,” *The Jakarta Post* online, June 8, 2002; “Small parties want House drop electoral threshold,” *The Jakarta Post* online, June 10, 2002; and “Election bill will limit parties to less than 10, analysts say,” *The Jakarta Post* online, June 15, 2002.

¹⁵ See the June 10 *The Jakarta Post* online article cited in the previous note. To date there has been only one case of an actual merger between political parties (as opposed to voting coalitions). In February 2002 the Love the Nation Party (PDKP—formed by former Golkar members and largely made up of ethnic Chinese Christians) joined the PKB, but this merger was forced by a parliamentary ruling that a parliamentary faction must have at least ten members; PDKP had only five and so risked losing its official status as a faction. “PDKP to coalesce with PKB,” *The Jakarta Post* online, February 12, 2002. Reports in June 2002 indicated that a number of the Islamic parties were considering forming an electoral alliance for 2004 (along the lines of the post-1999 “Poros Tengah” group organized by Amien Rais’ PAN), and Hamzah Haz, Akbar Tanjung, and Amien Rais have all in various ways expressed interest in collaboration among parties (Amien said he welcomed other parties that wished to merge with PAN). However, this talk does not necessarily presage an actual merger or even an effective working coalition of these parties, due to deep-seated personal and organizational rivalries. See *Van Zorge Report*, Vol. IV, No. 10, June 3, 2002; *Kompas* online political reports, June 1, June 4, and June 8, 2002; “Analysts dismiss fears of polarized political parties,” *The Jakarta Post* online, June 8, 2002.

¹⁶ Additional provinces now proposed include the Riau Islands (lying between Sumatra and Singapore), East Sumatra, Cirebon on the north coast of West Java east of Jakarta, and Toraja in central Sulawesi. A

number of counties and cities has grown from 304 in 1999 to 370 as of June 2002, and 4 more were under active consideration by the DPR.¹⁷ Although most of these initiatives reflect some genuine historic and ethnic divisions in the regions, a more pragmatic explanation for the process is that it creates new bureaucracies and jobs at the local level and therefore more channels for resources into which politicians and officials—both local and national—can tap. Despite formulas that set the amount of central resources for which a district qualifies, as in so many aspects of governance in Indonesia, the official formula is only the starting point for a more informal negotiating process. Regional officials now must come to Jakarta to negotiate how much they will actually receive. (The head of the DPR budget committee charged in late 2001 that, as a result of leakages at various points in the process, fully 40 percent of the government allocations for 2001 failed to reach the regional welfare programs for which they were intended.)¹⁸

In late 2001 the Megawati government launched an effort to tighten up on the decentralization provisions and make the regional governments more accountable. However, the proposal faced staunch resistance from kabupaten officials as well as opposition in the DPR. In response to these pressures, in mid 2002 the government postponed formal submission of the proposal,¹⁹ which provided a clear demonstration of the strong political-economic forces supporting further devolution.

Parliament—a suit half full

The parliament has gained significantly greater power vis-à-vis the executive in the period since the end of the Soeharto era, when it served basically as a putatively democratic façade for an authoritarian regime. The rejection of Soeharto successor B.J. Habibie's candidacy for the presidency in his own right in 1999 and

bill to establish the Riau Islands province was considered by the DPR in its session ending on July 19, but approval was postponed after Megawati raised procedural objections. At that time Home Affairs Minister Hari Subarno announced that the administration intended to slow down the process of creating further provinces to ensure that the appropriate infrastructure was in place. See "President postpones approval of new province," *The Jakarta Post* online, July 17, 2002. However, in late July, yet another new province was proposed, "Leuser Antara" consisting of areas in southeastern and central Aceh where the secessionist GAM movement is relatively weak; it was unclear whether this proposal was a genuinely local initiative to escape the conflict or whether it was stimulated by Jakarta as a means of weakening the rebellion. See "New province for Aceh sought," *The Jakarta Post* online, July 27, 2002.

¹⁷ The four include one municipality in North Sulawesi, one county in North Sumatra, and two counties in the new province of Gorontalo. See "House to develop four new regencies," *The Jakarta Post* online, July 16, 2002.

¹⁸ "Jakarta loses 40% of regional money to graft," *Straits Times*, November 28, 2001. See also "Provinces, regencies deny embezzling development funds," *The Jakarta Post* online November 28, 2001.

¹⁹ "Government backs down on plan to revise autonomy law," *The Jakarta Post* online, May 30, 2002.

the replacement of Abdurrahman Wahid in the middle of his term in 2001 are only the most dramatic illustrations of the shift in power from the executive to the legislative branch. However, parliament continues to have relatively little expertise or effectiveness in legislative drafting and other technical aspects of government. (To be fair, much of the executive bureaucracy is similarly limited in substantive expertise on the legislative function.) Most legislators may only dimly understand—or even in fact read—the more complex legislation. As a result, preparation and review of legislation remains a very uneven and uncertain proposition.

A good example is the national defense bill passed in 2001.²⁰ The draft was initially prepared by the military but heavily revised by a joint advisory team including civilian analysts and input from an NGO group. When the drafting group briefed parliamentarians on the bill, the political parties sent military members to represent them, and the civilian members and party leaders paid little attention to the bill or its accompanying documentation. The subsequent discussion of the bill in the responsible parliamentary commission was largely uninformed and frequently focused on utterly trivial matters (e.g., a half-hour debate over which Indonesian word to use for “effort”).

The parliament has compiled a somewhat better record in its monitoring function (primarily exercised through hearings at the commission level), particularly on questions relating to the budget and financial matters. However, the exercise of this function has expanded to the point that it probably impedes the effective functioning of the government. Observers have noted, for example, that during DPR sessions economic ministers spend so much time appearing before parliamentary commissions that they hardly have time to focus on their policy-making responsibilities.²¹ Also, the monitoring process is now becoming heavily entangled with party posturing, tradeoffs, and other inside games with an eye to the 2004 election, further detracting from constructive substantive impact.

As a result of these problems, the legislative performance of the DPR is seriously deficient. The January to March 2002 session of the DPR produced action on only 4 of 24 pieces of legislation on its agenda, as the parliamentarians spent virtually the entire session haggling over whether to establish a special parliamentary commission to investigate corruption charges against speaker Akbar Tandjung. The May to July session did even less, acting on 3 of 22 bills and leaving a total of 47 bills to be considered in the August to September session. (This did

²⁰ The defense bill was passed by the DPR on December 10, 2001. The following account is based on interviews in Jakarta in February 2002.

²¹ A typical comment by an economic analyst: “Regardless of how poor is the performance of the economics ministers, they shouldn’t be wasting time in doing their job only for insignificant marathon meetings at the House.” “Experts criticize MPR’s special decree on economic recovery,” *The Jakarta Post* online, July 31, 2002.

not, however, deter the parliamentarians—who are already paid for each hearing they attend and each bill they consider—from asking Megawati for more money to enable them to accelerate the processing of legislation!)²²

Campaign 2004—off and running

A point of virtual unanimity among both Indonesian and foreign analysts is that the eventual outcome of the next formal round of political competition, as with many other elements of the kaleidoscopic political scene, is completely unpredictable. But despite this level of uncertainty—or perhaps impelled by it—the 2004 election campaign is already well under way, with all the likely (and many would-be) candidates jockeying intensely for position.

One aspect of the maneuvering is efforts to ensure that the election rules protect the interests of the existing parties and their leaders/candidates. The initial proposal from the Habibie government for the 1999 election was based on single-member constituencies, but, as previously noted, this was transformed during parliamentary processing into an essentially proportional system that allowed the national party leaders to determine who was nominated and who was selected in each region. (Interestingly, although there was little public attention to these details during parliamentary consideration, the practical outcome did trigger reactions. When President Megawati's party released its final candidate lists in May 1999, featuring numerous changes from the initial lists and the replacement of many new faces with long-time party officials, the party's younger and more reform-oriented members staged an angry protest demonstration.)

As of July 2002 the DPR was debating proposals for changes in the election laws and procedures for 2004, and the proposals were hung up by intense wrangling among the parties. Many observers believe that there will ultimately be at least some gestures toward a more district-based electoral process—if only to dampen controversy. However, most analysts doubt that there will be fundamental changes from the system established for 1999 and that any changes that are made will significantly increase the influence of constituencies on the identity of their representatives. This should ensure the continued domination of the Jakarta-based party leaderships in the next parliament.

The rules for the presidential election were similarly stymied by disagreements among the parties. The 1999 general election selected only members of the parliament. The president was chosen in a meeting of the super-parliament People's Consultative Assembly (MPR), which comprised the entire membership of the DPR plus 200 representatives of regions and other social groupings. (In an odd coincidence, eventual presidential winner Abdurrahman Wahid was in the

²² See "House leaders ask for more funds for passage of bills," *The Jakarta Post* online, July 17, 2002.

latter group, not having run for an elected seat.) The backroom dealings that surrounded the presidential contest in the MPR, and the fact that Wahid won rather than Megawati, whose Indonesian Democratic Party-Struggle (PDI-P) gained the most votes in the general election, triggered lasting controversy. For this reason, most parties have publicly supported the concept of a direct popular election for the presidency. However, until shortly before the annual MPR meeting in August 2002 to decide this question (among others), there was a stalemate over how the winner should be determined in case no candidate receives a majority in the general election. There was agreement on the need for a runoff in this event, but disagreement on whether the runoff should be another popular vote or an election in the MPR.

The PDI-P long argued that the outcome should be determined by a vote between two top candidates in the MPR, rather than in a popular runoff. In early July, Megawati briefly, and unsuccessfully, even floated the idea of postponing direct election of the president altogether until 2009, on the grounds that the public was not yet ready for such a contest.²³ The public rationale for PDI-P's support for an MPR runoff was that it would be much less expensive and cumbersome than a nationwide ballot. More strategically, PDI-P's leaders may have calculated that they could attract enough support in the MPR from other secular nationalist groups such as Golkar and the military to win a majority without the rigors of a nationwide campaign. This strategy contained its own risks, however, because in a secret MPR ballot Islamic elements in the secular parties—including PDI-P and Golkar—as well as others frustrated with Megawati's leadership could well desert her and, as in 1999, give a majority to an Islamic candidate.) The most cold-eyed explanation for PDI-P's hesitance about a popular runoff was that it would virtually force public debate between the two contenders, with the danger that Megawati would not perform as credibly as any of her likely challengers. Nevertheless, faced with mounting criticism for evading the democratic process and perhaps buoyed by polls showing that Megawati's public standing was holding up relatively well combined with the poor standing of Golkar's Akbar Tanjung and the likelihood that Golkar's largely secular nationalist voters would back Megawati,²⁴ PDI-P ultimately endorsed a public runoff.

Most observers believe that, as long as Megawati's performance over the next two years is minimally credible, as the sitting president she will be one of the finalists. In this case her second round opponent will most likely be one of the two

²³ See "Megawati hopes to shelve direct presidential vote," *The Jakarta Post* online, July 3, 2002; "Mega ready for direct presidential election," *The Jakarta Post* online, July 18, 2002.

²⁴ A June 2002 poll of public satisfaction with the performance of political leaders showed that Megawati led with 53 percent (an increase of 2 percent over June 2001), followed by Vice President Hamzah Haz at 51 percent and MPR Speaker Amien Rais at 43 percent. (Golkar's scandal-tainted Akbar Tanjung trailed well behind, at 22 percent.) "Megawati rated highly despite govt's failures: Survey," *The Jakarta Post* online, June 24, 2002.

principal leaders from the Islamic side of politics: MPR Speaker Amien Rais or Vice President Hamzah Haz. Both Amien and Hamzah have their own problems however. Amien is considered by many not to be a credible candidate due to the blatant opportunism clearly revealed in his tenure as speaker of the MPR. Also, Amien seems to have maneuvered himself into a lose-lose situation vis-à-vis the Islamists and the secular nationalists. His embrace of a secularist and pluralist political agenda in the 1999 election did not seem to benefit him significantly in terms of the election result; so, following the election, he shifted toward a more Islamist stance (e.g., forming the “Central Axis” Islamic grouping for the presidential elections in the MPR). However, this alienated many of his early secular nationalist supporters. But if he now moves back towards a secular position in maneuvering for the 2004 election, he will lose some of his Islamist support.

Hamzah’s main political liability is his pandering to Islamic extremist elements—including his advocacy of making Islamic syariah law binding on Moslems (the current emblematic issue for those who favor making Indonesia an Islamic state) as well as highly publicized meetings with leaders of extremist groups such as Laskar Jihad. The strategy behind this posture is presumably both to ensure that the more hard-line vote in the major Islamic parties does not go to Amien and to court votes from some of the smaller Islamic parties to enable Hamzah to best Amien in the first round. However, if Hamzah does not carefully modulate and—should he succeed in the first round—subsequently moderate his embrace of the Islamic state theme, this position will likely spur moderate Moslems and secular nationalists to unite in opposition to him, thus perversely reducing his chances in the second round.²⁵ (This would be the case whether the second round is a public contest or occurs within the MPR.) At this stage it is anyone’s guess whether Amien or Hamzah will do better in the first round. The key in the contest between these two men may well be how successfully each can appeal during the campaign to voters from outside their base.

Both the intensity of the competition for the 2004 election and the uncertainties facing all the major candidates add to the normal unpredictability of the political scene in Indonesia. This will further complicate government policy and decision-making over the next two-plus years, to the detriment of the national interest in solidifying and advancing reforms.

²⁵ The military can also be expected to oppose any candidate advocating the institution of Islamic law (also referred to as the Jakarta Charter after a revolutionary-era document containing this concept). In late 2001, Army Chief of Staff Endriartono Sutarto (who became armed forces commander in June 2002) underlined TNI’s continuing opposition to the Jakarta Charter, stating that the majority of Indonesians think it inappropriate to include the Charter in the 1945 constitution. “Army chief warns of Jakarta Charter dispute” *The Jakarta Post* online, November 1, 2001.

The insecurity establishment

It is only slightly hyperbolic to say that the Indonesian military today is essentially a uniformed, government-sanctioned mafia operating through its own captive business networks and extortion rackets, all the while claiming a pure conscience based on its self-defined mission as the ultimate protector of the national interest.²⁶ Since the eradication of the communist party in 1966 and the consolidation of political domination by the Soeharto regime in the late 1960s, the military has lacked any serious external or domestic threat to Indonesia's national integrity. As a result, for most of the subsequent period it has been able to concentrate its attention on maintaining its presence and influence throughout the country, enabling it among other things to ensure overwhelming victories for Soeharto and Golkar in the 5-yearly annual elections, and on preserving its self-support system and a comfortable lifestyle at least for the more senior members.²⁷ Another (presumably unintended) result has been that TNI's ability to conduct real military operations is now subject to serious question. The military's performance in its few serious engagements since 1966 (the 1975 invasion of East Timor and the subsequent long, ultimately unsuccessful pacification campaign there, as well as the ongoing operations against the Aceh and Papua rebellions) has generally demonstrated this point.

Some observers argue that the military is itself is a principal source of violence and instability in Indonesia today, and not only in the campaign of brutality and destruction in East Timor in 1999. Some Islamic extremist groups such as the Islamic Defenders' Front (FPI) that conduct raids on bars and gambling establishments are said to have had their origins as fronts and enforcers for military protection rackets. Thousands of fighters recruited by the extremist Laskar Jihad and sent to Ambon in May 2000 traveled through Java and left Surabaya by boat unimpeded by the security forces, and there have been numerous reports of training and other cooperation between TNI and Laskar

²⁶ A group of analysts at a Jakarta think-tank concurred with this formulation in a meeting in February 2002.

²⁷ The current estimate is that only some 30 percent of military expenditures are covered from the government budget. The remainder is derived from a variety of activities, including a series of businesses, cooperatives, and foundations. Former defense minister Juwono Sudarsono has stated that there are some 250 military business entities, which are not properly audited or accounted for. See "Military told to be transparent about funds," *The Jakarta Post* online, June 12, 2002. Indonesia scholar Richard Robison has concluded that military business interests and political influence had actually declined by the early 1990s from their peak levels in the earlier Soeharto years, but he attributes this decline largely to the increase in Soeharto's institutional power as well as the expansion of Soeharto family and crony business empires rather than a conscious decision by the military leadership to reduce business activities. Richard Robison, "Indonesia: Tensions in state and regime," in Kevin Hewison, Richard Robison and Garry Rodan, eds., *Southeast Asia in the 1990s: Authoritarianism, Democracy and Capitalism* (Sydney: Allen & Unwin, 1993), pp. 39-74.

Jihad including TNI troops fighting alongside Laskar Jihad members in Maluku.²⁸ Similarly, according to a leading foreign analyst, the series of shooting and bombing incidents in Ambon during the peace negotiations between the Muslim and Christian communities in early 2002 was at least in part an effort by elements of the security forces to sustain the insecurity necessary to ensure continued payments for protection services.²⁹

As for the police force, from the perspective of preserving order and enforcing the law, it remains largely an empty shell. Formerly a neglected (and totally underfunded) stepchild of the dominant army, the national police force is now formally detached from the military and charged with the mission of maintaining domestic law and order. However, the police force has developed as an essentially parasitical institution that supports itself largely by preying on the people it is supposed to protect. Victims frequently must pay the police to even go through the motions of doing their job (e.g., investigating crimes against property or persons). More often, the police are simply not in evidence. Increasingly, the citizenry, especially in the cities, are turning to brutal vigilante justice (e.g., beating and burning to death suspected petty thieves) to compensate for the lack of an effective police presence. Further, individual police officers themselves are said to frequently commit (on their own or for hire) or cover up crimes. (The fact that former president Soeharto's son Tommy first escaped from custody and then eluded recapture for over a year, during most of which time he remained in Jakarta, could have been possible only with the cooperation of the police—among others.) In one widely publicized incident in 2000, police and military units staged a shoot-out over the right to shake down a group of Madurese refugees fleeing from persecution by indigenous Dayak populations in Central Kalimantan. The separation of the police from the military has done little to enhance practical oversight of the police force, as the police now formally report directly to the President without intervening supervision.

Further up in the legal chain, the government prosecutorial apparatus is notoriously inept and corrupt. Prosecutors regularly play a game of passing case files (so-called “dossiers”) back and forth between them and the police or other investigating authorities. Frequently the prosecutors will claim—after a variable period of studying the documents—that the file is not “complete” or that there are

²⁸ International Crisis Group report “Indonesia: the search for peace in Maluku,” *ICG Asia Report* No. 31, Feb. 8, 2002, page 6; Michael Davis, “Laskar Jihad and the political position of conservative Islam in Indonesia,” *Contemporary Southeast Asia*, Institute of Southeast Asian Studies (ISEAS), Vol. 24, No. 1, April 1, 2002, subsections “Jihad in Maluku” and “Sources of Support.”

²⁹ Interview, February 2002; see also “Indonesia, the Search for Peace in Maluku,” *International Crisis Group Report*, February 8, 2002, page 21. Reports of violence instigated by the military and police in Maluku have continued in the period following the signing of a peace agreement between Muslim and Christian leaders on February 12. See “Military contributes to Maluku conflict: KontraS,” *The Jakarta Post* online, May 15, 2002.

technical faults that must be corrected. This procedure serves either to cover up simple incompetence or to avoid making decisions on difficult or sensitive cases.³⁰ It also extends the period of uncertainty during which the principals in the cases can be encouraged to provide inducements to the officials involved, while allowing a maximum the number of officials to participate in this profitable game.

The frustrated reform movement

The reformist impulse and numerous reform-oriented individuals and groups in various fields still exist, but by comparison with the first two post-Soeharto years, the reform movement in Indonesia today is not the leading political force and in many areas is fighting a rearguard action to preserve gains previously achieved. The numbers and influence of reformers in parliament are dwindling. The ability of reformers to advance their program in the DPR and MPR is limited in part by the strong influence of the party organizations—on appointments to committees, positions on legislation, and other matters. Some of the reform-oriented members elected in 1999 have quit in frustration (including several recent high-profile defections from Megawati's PDI-P). Many of the original backers of MPR Speaker Amien Rais' National Mandate Party (PAN), especially those attracted by the party's secularist platform, distanced themselves or were marginalized as the party turned more towards an Islamic orientation following its poor electoral showing in 1999.³¹

Outside the parliament and party structure, reform activists are frustrated with the lack of progress in such major areas as democratization, law, human rights, and financial reform. The student movement, the main source of public pressure in 1998, is divided and generally quiescent, although student groups have continued to stage sporadic protests and demonstrations on specific issues.³² Human rights

³⁰ In a particularly egregious recent example, after nearly a month of review, prosecutors in the Attorney General's office returned the dossiers of suspects in the shooting of students during disturbances in Jakarta in 1998 and 1999 to the Human Rights Commission [Komnas HAM], which had prepared the reports, for correction on the grounds that the witness statements had not been typed on the appropriate forms and signed on each page by the witness. The secretary of the Komnas HAM inquiry commission responded that many of the witness statements included in the file were simply copies of testimony before a parliamentary working committee, and, therefore, if the reports needed to be in a different format, the DPR would have to revise them accordingly. "Dossiers on Trisakti, Semanggi cases returned," *The Jakarta Post* online, May 23, 2002. A similar process enabled the current governor of Jakarta, Sutiyoso, to avoid being charged for his role in the July 27, 1996, storming of the PDI headquarters, triggering a riot and a number of deaths. "Masterminds of July 27 case should be investigated," *The Jakarta Post* online, July 30, 2002.

³¹ A major defection occurred in late 2000, when a group of 16 prominent members of PAN resigned, disillusioned with the erosion of the party's founding secular principles. *Van Zorge Report*, Vol. IV, No. 1, January 21, 2002.

³² For examples of continuing sporadic student protests, see "Student protests hit Jakarta" (against fuel price hikes and parliament speaker Akbar Tanjung), *The Jakarta Post* online, January 19, 2002; "Students stage protests over Buloggate II" (on the Akbar Tanjung corruption scandal) *The Jakarta Post* online,

groups such as those that investigated the numerous cases of rapes of Chinese-Indonesian and some other women during the 1998 disturbances (widely believed to have been perpetrated mostly by military personnel) have seen no action on the information they compiled and provided to the authorities. Similarly, efforts to press the government to account for the dozen-plus student leaders who “disappeared” at that time have come to nothing.

In mid 2002, the question of constitutional reform became a major test of strength between the reform advocates (and of their supporters, particularly in the student movement) and the political elite. The reformers, coordinated in an NGO-led Coalition for a New Constitution, argued that the task of formulating constitutional changes should be entrusted to an independent non-parliamentary constitutional commission, while the leaders of the DPR and the MPR generally preferred to keep this work within the MPR where the parties’ interests could be brought more directly to bear. As the August MPR session began, and in the face of deadlock within the MPR over the package of constitutional amendments to be considered, it was unclear whether the reform movement could bring enough pressure to bear to force the MPR leadership to appoint a commission.

Reformist organizations whose activities directly threaten high-level figures, especially the military, now find themselves under more direct pressure. The government-established National Human Rights Commission (Komnas HAM) had the courage to name former top security officials, including former armed forces commander and politics and security coordinating minister General Wiranto, as complicit in the shootings of student demonstrators in Jakarta in 1998 and 1999. Not only did the military officially declare that those named were not required to appear before the investigatory commission, but through the first half of 2002 there appeared to be a coordinated, military-inspired effort to manipulate the parliamentary appointments process for Komnas HAM’s governing board so as to dilute the effectiveness of its most activist members.³³ Another prominent human rights advocacy group, KontraS (Commission for Missing Persons and Victims of

March 19, 2002; and “Students protest governorship candidates from military backgrounds” (against military candidates for the position of governor of Jakarta), *The Jakarta Post* online, June 4, 2002.

³³ Interview, Jakarta, February 2002. Appointment of Komnas HAM members was shifted from the president to the DPR under a 1999 law, and the number of members on the commission was expanded from 17 to 35. In February, the DPR committee responsible for appointing Komnas HAM members asked the commission to supplement its nomination list so there would be more candidates than available places, a move that would have enabled the committee to reject the most outspoken members. This precipitated a showdown in June in which six sitting members threatened to resign en masse if the DPR approved the expansion (*The Jakarta Post*, June 1, 2002, p. 4). The committee eventually screened 41 candidates and found only 23 among them to be qualified, rejecting several prominent human rights activists, including attorney Todong Mulya Lubis, which prompted further public criticism. “Rights campaigner fails to get into Komnas HAM,” *The Jakarta Post* online, July 9, 2002; “House criticized for ignoring rights campaigners,” *The Jakarta Post* online, July 10, 2002; “House slammed over selection of rights commission members,” *The Jakarta Post* online, July 11, 2002.

Violence) was the target of physical violence by an unidentified (but organized) group of thugs against its headquarters and leaders in March 2002.³⁴ Other recent government initiatives have raised concerns over a possible renewal of efforts to reduce access to information and otherwise limit the freedom of the press.³⁵

The reform movement in Indonesia is not dead. Individual efforts and many of the NGOs and other organizations persist in their advocacy efforts, with continuing support both from foreign donor governments and NGOs as well as international organizations such as the UNDP. However, there is a strong sense that the weight of political inertia is now against those who are pushing to continue the reform movement. And there is again a growing gulf between the political/governmental/security complex with its related business and other interests on the one side, and the rest of the Indonesian elite and civil society on the other. Suggesting the corrosive and potentially destabilizing result of this situation, Professor Selo Soemardjan, the dean of Indonesian sociologists, says that he has observed a growing tendency for disillusioned youth and others to turn to the idea of a “ratu adil,” the mythical Javanese idea of a “just king” who would lead the country out of its troubles.³⁶

Saving graces

In Indonesia’s multi-layered and highly complex society and politics, one can always find counterpoints to the current surface trends and prevailing wisdom, and, over the years, the doomsayers have far more often proven premature than prophetic. Similarly today, some of the fundamental strengths of Indonesian society remain in place and other encouraging phenomena can be identified.

Endurance

Most Indonesian reformers and many observers are dispirited today, and some are very angry with the political elite and the government. But probably the most remarkable feature of the current scene, given the many glaringly obvious abuses and shortcomings, is the relatively low level of explosive anger, especially among the general public. Even those with the most palpable grievances—such as the 300,000 or more Jakartans who essentially lost everything (homes, property and in many cases their livelihood) in the February 2002 floods—have done little more in

³⁴ “Human rights activists in terror attack,” *The Jakarta Post* online, March 14, 2002.

³⁵ “Government moves to rein in press,” *The Jakarta Post* online, December 7, 2001; “Conflicting bills may be discussed together,” *The Jakarta Post* online, March 14, 2002 (concerning a government plan to submit to the DPR a government secrecy bill giving officials wide latitude to withhold documents); “Regressing into the past,” editorial, *The Jakarta Post* online, March 19, 2002.

³⁶ Interview, Jakarta, February 2002.

the way of political action than stage sporadic small demonstrations against the unresponsive mayor and city government.³⁷

The capacity of the Indonesian people to endure hardship and governmental neglect or predation is nearly legendary, but other factors may also lie behind the current relative quiescence. Arguably the lower-income groups do not have time for luxuries like protests or revolutions when they are unsure of where their families' next meals are coming from. In the post-Soeharto period, another factor that takes the edge off popular political action is the lack of a clear target. The longtime autocrat is gone; two successor presidents have been chased from office for non-performance and other sins, and the most notorious kleptocrats have been discredited if, for the most part, not yet physically removed from the scene. Further, there have been some significant changes and opening up of the political system following the fall of Soeharto, and these do not appear to be fundamentally reversible.³⁸ Finally, the wave of communal conflicts in the regions, politically inspired violence in Jakarta and elsewhere, and the general lack of law and order and personal security that have characterized the post-Soeharto period have actually served as an antidote to any general enthusiasm for more violence, even rekindling a certain nostalgia for the stability of the "good old days" of the New Order.

One suggestion in public circulation in Indonesia in early 2002 was that the top group of plutocrats from the Soeharto period should be rounded up and jailed until they repay the billions of dollars they plundered from the government and the public over the preceding 20 years.³⁹ (A more draconian variant of this idea was to round up both the principals and their families and then, after a certain grace period, start shooting them one by one if they did not produce.)⁴⁰

³⁷ The most conspicuous of these occurred on February 11, when some 500 flood victims, organized by NGOs, demonstrated in downtown Jakarta and at the parliament. "Victims want compensation, demand that [Jakarta Governor] Sutiyoso resign," *The Jakarta Post* online, February 12, 2002.

³⁸ An example of this perspective is found in a May 2002 interview with former Minister of Environment Sarwono: see "Power Shifts: New Realities after Soeharto," *Van Zorge Report*, Vol. IV, No. 10, June 3, 2002, pp. 11-16. Over the long term, this argument is probably correct. But it is not inevitable that the process will produce a strong and effective new system, and there could be many setbacks in the short and medium terms depending on the evolution of domestic stability and elite political competition.

³⁹ For example, the editor of the Indonesian newsletter *Van Zorge Report* listed one option open to the Megawati government for accelerating reform as "slapping IBRA's [Indonesian Bank Restructuring Agency] top 20 debtors in prison and seizing their assets unless they cooperate." "From the Editor," *Van Zorge Report*, Vol. IV, No. 4, March 5, 2002, p. 4.

⁴⁰ Private conversation in Jakarta, February 2002. That this remark is not just an individual opinion is demonstrated by a *Tempo* magazine telephone poll taken in Jakarta in late January 2002. More than 20 percent of the respondents favored the death penalty for the principals of conglomerates defaulting on debt repayment schedules. *Tempo* (English edition), February 11, 2002, pp. 8-9. See also "Death penalty for corruptors, why not," *The Jakarta Post* online, November 6, 2001; "'Reformasi' should deal with corruptors," *The Jakarta Post* online, May 17, 2002. The moderate Islamist NU at its 2002 national

However, realistically, nothing nearly as dramatic as this is likely to happen any time soon. Indonesian society in 2002 bears little resemblance to those of, say, France in 1789 or Russia in 1917 following the overthrow of their autocratic regimes, or even Iran in 1979. This fact in itself reflects fundamentally positive attributes of Indonesia's historically tolerant society.

Bright spots

Some genuinely positive and reassuring dynamics are also observable on the broader Indonesian scene today.

One of the most striking of these is a spirit of community conscience and caring that was dramatically illustrated during the severe flooding that hit Jakarta in early February 2002. Essentially spontaneously, large numbers of private citizens, as well as civic groups, donated and collected relief supplies for the hundreds of thousands of residents left without shelter or food. A private local FM radio station voluntarily took on the role of a central information exchange, receiving reports of areas in need and directing the donor groups. This networked private army of "Ibu's" (Indonesian for mother) was on the job almost immediately. By contrast, it took the ineffectual city authorities several days to mount an inadequate relief effort, and some of the private donor groups publicly refused to work through the local government structure because of skimming and favoritism by officials.⁴¹ Not only did this episode demonstrate the growing capability of a loosely organized civil society (at least in the capital), but it also showed genuine concern among the middle and upper classes for the mass of the poor. (Along with the leading role played by mostly middle class students in the anti-Soeharto demonstrations in 1988—and the support and logistical role played by middle class Ibu's at that time—this is at least anecdotal refutation of the view that the Indonesian middle class is concerned only with protecting its own privileged existence rather than promoting broader social progress and equity.)

A more structured and potentially more immediately promising development in terms of direct impact on politics, is the joint undertaking formally launched in January 2002 by the Muhammadiyah and Nahdlatul Ulama (NU) Islamic social organizations (which between them claim 60 to 70 million members) to counter extremist Islamic elements through a public campaign on Islamic values. Its purpose is to reclaim the image of Indonesian Islam from the radical voices and the opportunistic politicians who have been pandering to the extremists. This campaign, termed "cultural propagation," emphasizes the peaceful, moderate

conference endorsed the death sentence for corrupt officials. "NU wants death sentences for convicted corrupt officials," *The Jakarta Post* online, July 30, 2002.

⁴¹ "Donors distrust government officials to deliver aid," *The Jakarta Post*, February 11, 2002, p. 1.

values at the heart of mainstream Indonesian Islam.⁴² Some activists involved in launching the effort intend to expand it into more explicitly political territory. After six months when the public discourse in Indonesia (or at least the media coverage of that discourse) was dominated by the more radical Islamic voices, this campaign at least has the potential of restoring a much-needed balance both to the internal political debate (ideally ultimately backboning the Megawati government and giving pause to the more blatant opportunists in the government and politics) and also to external perceptions. As of the middle of 2002 it was not yet clear whether this particular campaign would be implemented with the necessary energy and breadth, but at the leadership level it continued to receive support.⁴³

A third point is simply the increasing evidence of economic recovery—at least of the domestic economy—the main factor responsible for Indonesia’s estimated 3.5-percent growth rate in 2001.⁴⁴ Operating cranes are again visible at long-dormant construction sites in Jakarta. Although most economic activity is still consumer and cash driven, and both new foreign investors and Indonesia’s wealthiest business tycoons are holding back, some sectors, including retail merchandising and related consumer production and infrastructure, seem to be experiencing growth. There are even reports of a trickle of overseas money coming into selected sectors. This activity will not necessarily be enough to prevent Indonesia from ultimately defaulting on its foreign debt, but it does indicate that the domestic base of Indonesia’s economy is intact, largely independent of the moribund financial and foreign investment sectors, and can provide the basis for an eventual (if slow) economic recovery and reconstruction.

Hopes for the long term

Agricultural involution in Java did not ultimately lead to the doomsday scenarios that so easily flowed from Geertz’ original concept. The green revolution of the 1960s and the expansion of labor-intensive manufacturing industry in many rural areas of Java have completely changed the economic dynamics, living standards,

⁴² “Muhammadiyah’s move wins scholars’ support,” *The Jakarta Post* online, January 29, 2002.

⁴³ The Nahdlatul Ulama national conference in late July 31, 2002, reiterated NU’s support for a moderate and pluralist approach, and its support for the Muhammadiyah-NU campaign. “NU embraces, promotes moderation among Moslems,” *The Jakarta Post* online, July 30, 2002.

⁴⁴ This rate is still well below the estimated 6-7 percent growth rate needed to absorb new entrants into the labor force. Nevertheless, it was better than the rate in many Southeast Asian economies during the same period, particularly in the face of a continuing decline in new investment from outside Indonesia and declining export earnings due to the slowing global economy. Growth for the first quarter of 2002 was down to 2.5 percent, largely because of extensive flooding in the first months of the year in Jakarta and elsewhere. See “4th Quarter economy grows on local consumption: BI,” *The Jakarta Post* online, December 13, 2001; “Data throws Indonesia’s growth targets into doubt,” *Financial Times* (UK), May 6, 2002.

and prospects in this sector. Correspondingly, the present state of political involution may not lead to an eventual explosion, chaos, and/or collapse. The key to the ultimate outcome probably lies in the potential for incremental changes in the balance of forces that may not be fully visible today.

Some key developments in the post-Soeharto era that should ultimately drive positive political evolution include:

- A liberated and active free press. The Indonesian media, which even under Soeharto regularly tested the limits of government tolerance, is now among the most open and uninhibited in the region. The tone of much of the private media is currently highly critical of the government—with leading publications such as *Tempo* magazine regularly describing the performance of the Megawati government in utterly derisive terms. Recent indications of a government desire to dampen critical reporting have yet to be translated into concrete steps, and, should this occur, the effort would predictably meet a storm of protest.
- Free and contested elections. The dramatic restructuring of the electoral system and process since Soeharto has, for the first time in nearly 45 years, allowed genuine political participation and expression at both national and local levels. Despite the remaining flaws in the current structure and the fact that it does not yet enable constituencies to directly select their own representatives to parliament, the electoral process itself now provides a safety valve for political energies and a more direct channel for the public to send messages to the political elite. This dynamic arguably was the ultimate impetus for the sudden burst of activity by Megawati in March 2002. Barring a new turn toward authoritarianism at the center, which cannot be completely ruled out but of which there are no serious warning signs at present, over time the mechanism of open elections can have a powerful influence on the national political agenda and government performance.
- Increasing numbers of NGOs and the general growth of a civil society. This trend is supported by and in turn strengthens both of the preceding phenomena. Civil society institutions have numerous organizational and other weaknesses (including uneven human resources, internal power struggles and personality clashes, and, inevitably, some incidence of corruption⁴⁵), and on their own they are not a panacea for Indonesia's problems. However, they are increasingly pervasive in their presence around the country, and they are vocal in articulating their objectives and in criticizing governmental practices that put obstacles in their way or worsen the problems they are trying to address. These organizations run the gamut from direct social-assistance agencies,

⁴⁵ See, for example, "Indonesian NGOs hit by internal fighting," *The Straits Times*, December 7, 2001.

community-development efforts, legal-assistance and human-rights advocacy, environmental institutions and movements, to advisory, lobbying, and watchdog groups in fields such as economics, politics, and security.

Overall, the good news in this picture is that the problems afflicting Indonesia's politics and society today are neither unknown nor hidden. They are routinely exposed and publicly discussed by Indonesians themselves, including by some figures in government and politics. The bad news is that, since the fall of Soeharto, there has been a growing disconnect between identification, description, analysis, and (by some) recommended correctives and the ability or willingness of the "system" to respond effectively. Further incremental reforms can be expected over time, but the currently unanswerable questions are how much time this process will take, and how confrontational and destabilizing the specific steps will be.

Key factors in Indonesia's political evolution

This section examines some of the major factors and elements in the evolution of Indonesian political dynamics over the next 5 to 10 years.

The political parties

The principal political parties in Indonesia today are:

- The secular nationalist Indonesian Democratic Party-Struggle (PDI-P) of President Megawati, descended from the Soeharto-era Indonesian Democratic Party
- The secular-nationalist Golkar (“functional groups”), former president Soeharto’s political vehicle now led by DPR Speaker Akbar Tandjung
- The Islam-based United Development Party (PPP) led by Vice President Hamzah Haz, the third major party from the Soeharto era
- Two Islam-based but politically pluralist parties established after the fall of Soeharto in 1998:
 - The National Awakening Party (PKB) founded by now-ex President Abdurrahman Wahid
 - The National Mandate Party (PAN) founded by Amien Rais, now the speaker of the MPR.

Together these five parties control 416 of the 462 elected seats in the current parliament (DPR). Smaller parties represented in the DPR include the Islam-based PBB (Crescent Star Party), PK (Justice Party), and PNU (“Partai Nahdlatul Ummat”; the secular (largely ethnic Chinese) PDKB (Love the Nation Democracy Party); the ex-military/Golkar group PKP (Justice and Unity Party) and the secular nationalist PDI (Indonesian Democratic Party). Table 1 lists the percentages of the popular vote and number of seats in the DPR of these and the other 37 parties that contested the June 1999 election.

Table 1. Results of Indonesia's National Election of June 7, 1999

Party	Orientation	Popular vote (%)	DPR seats
<u>Major Parties</u>			
PDI-P (Megawati)	Secular Nationalist	33.7	153
Golkar	Secular Nationalist	22.4	120
PKB (Wahid)	Islamic (Secularist)	12.6	51
PPP (Hamzah Haz)	Islamic	10.7	58*
PAN (Amien Rais)	Islamic (Secularist)	7.1	34
<u>Smaller parties (multiple seats)</u>			
PBB	Islamic	1.9	13
PK	Islamic	1.4	7
PKP	Ex-military	1.0	4*
PNU	Islamic	0.6	5*
PDI	Secular Nationalist	0.6	2*
PDKB	Chinese	0.4	5*
<u>Minor parties (single seats)</u>			
4 (Islamic)	Islamic	1.6	4
3 (Nationalist)	Secular Nationalist	1.0	3
3 (Misc.)	(Varied)	0.9	3
<u>Other contesting parties winning no seats)</u>			
27 (misc.)	(Varied)	4.0	0
Military (appointed)	Military	—	38
Total		100.0	500

*Note: Differences between percentages of popular vote and number of seats in DPR are due to uneven strength of parties across provinces (seats are allocated on the basis of performance in each province).

Sources:

Data: Indonesian National Election Commission (1999).

Jakarta Post, July 19, 1999, p. 2.

Other: *Indonesia Entering a New Era*, Institute of Developing Economies (Chiba, Japan), March 2000.

Parliamentary Elections In Indonesia, The U.S.-Indonesia Society (Washington, DC) June 22, 1999.

Party politics: personalities more important than programs

For the foreseeable future, Indonesian political parties are likely to remain predominantly personality-based. That is, they will form around and be shaped primarily by dominant individual figures and the patronage they can dispense. This has been the general pattern through most of Indonesia's independent history. (A major exception was the ideology-driven Indonesian Communist Party (PKI) before 1965, but there have also been a few other cases where individual leaders were associated with programmatic objectives such as socialism or an Islamic state.) The key political players in Indonesia today—and certainly through the 2004 election—remain party leaders Megawati Sukarnoputri of PDI-P, Amien Rais of PAN, Hamzah Haz of PPP, and (though not as a candidate) Abdurrahman Wahid of PKB. (The position and influence of Golkar's chairman Akbar Tandjung is more uncertain given his arrest in March 2002 and trial for corruption [still ongoing as of this writing]. However, even in this case, the contest for succession seems likely to be fought out among several established faction leaders.)

As in the past, group identity will remain a strong sub-theme, particularly in the case of religion-based parties and, most importantly, the Islamic parties. It is noteworthy, however, that even in religion-based parties personality remains the key factor. This is clearly demonstrated in the multiplicity of Islam-based parties, most of which are centered on individual leaders who compete intensively for support within the Islamic community. Group identity also has a continuing role for the secular nationalist parties, at least in the sense that most of these parties and their members see themselves as distinct from the religion-based parties. Even in these cases however, the leading personalities will remain the primary electoral draw of these parties.

Another interesting feature of the Indonesian political landscape is the absence of any explicitly regional parties or coalitions in the national DPR—especially the lack of any outer island grouping designed to counterbalance the heavy weight of Java and the Javanese on the national political scene. There are outer-island factions in some of the parties, but no exclusive or formal outer-island organizations. Among the reasons for the lack of such geographic or ethnic coordination are the disparate identities and interests of the non-Javanese ethnic groups and regions, the Soeharto government's proscription of ethnic-based politics,⁴⁶ and the continuing requirement that parties show a broad national presence to qualify for participation in national elections.⁴⁷

⁴⁶ The New Order government prohibited political organization or debate on four sensitive areas, summarized in the Indonesian acronym "SARA" standing for "*suku*" (ethnic), "*agama*" (religious), "*rasial*" (racial), and "*antar-golongan*" (inter-group).

⁴⁷ See note 13 above.

Primarily program-based parties are likely to remain in the distinct minority for the foreseeable future. Even for those Islamic parties that have adopted the objective of making Indonesia an Islamic state, this is not so much a broad program for government as it is an emblem of identity, reinforcing these parties' appeal to the more devout portion of the Islamic community. The closest that most of the major parties have come to a major programmatic agenda in the post-Soeharto period has been the advocacy of reform, most prominently the eradication of the Soeharto-era ills of "corruption, collusion, and nepotism" (KKN). But this objective is so widely shared and so iconic in nature that it hardly counts as a platform for governing. (Further, the various parties that have shared power since the fall of Soeharto have not been conspicuous in advancing the anti-KKN agenda, likely reducing the effectiveness of this theme in future campaigns.)

Some of the smaller Indonesian parties *are* conspicuous for their group identity and/or their programmatic objectives. This group includes, for example, one party formed by a group of retired army officers who advocate a reform agenda. Two parties have risen from the long-excluded but (post-Soeharto) now politically liberated Chinese Indonesian community (perhaps 3 percent of the population). A number of splinter religious parties and other historic holdovers belong in the same category. Most of these parties are small, many have no political reach at all, and none appear to be really serious contenders in the upcoming 2004 parliamentary and presidential elections. However, one or two could be factors, at least as bellwethers of political discontent and some other trends (see the further discussion in the following subsection).

Of the major parties, Golkar is something of an anomaly in this picture. Since the fall of Soeharto (or, certainly, after the demise of the successor Habibie presidency), Golkar has lacked a conspicuous leadership figure. Also, due to its origins and history—having been formed primarily from the civil service and molded into a potent political vehicle for the Soeharto government—it is the most explicitly group- and program-based of the current major parties. However, except for its clear standing as one of the secular nationalist (as opposed to religious) parties, Golkar today neither has an overwhelming link with the bureaucracy nor can be clearly distinguished from other parties in terms of its program. For the most part, Golkar is simply a political grouping competing for power and positions. It has relatively strong representation in parliament, second only to Megawati's PDI-P, but an uncharismatic and now scandal-weakened leader.

One of the reasons for Golkar's electoral success in 1999 was that it has a strong party organization due to its long period in power under Soeharto and its base in the bureaucracy and the military. Golkar was particularly strong in Indonesia's far-flung outer islands, where the lack of prominent local alternatives and "money politics" (vote-buying) may also have been key factors behind its strong showing. Golkar has seen some infusion of new blood as it has emerged from the Soeharto period, and the party has launched an ambitious plan to recruit a million new

cadres before 2004. However, unlike the other major Indonesian political parties, Golkar is a cadre- rather than mass-based party, having been both created and long controlled essentially as a top-down political machine. Many in other parties still feel that Golkar is not a real party but merely a holdover electoral front from the New Order. However, with its experience, its relatively strong cadre base, and its continuing access to resources, Golkar remains a relatively formidable contender. This is one of the reasons that some non-Golkar politicians had hoped to take advantage of the corruption issue (specifically focused on charges against Golkar chairman Akbar Tandjung) to have Golkar legally excluded from participation in the 2004 election, and even dissolved. That now appears unlikely to happen, principally because Megawati's PDI-P sees Golkar as a useful secular nationalist ally against the Islamic group of parties. At least before Akbar Tandjung's arrest and trial, some Golkar officials were confidently projecting that they could emerge from 2004 as the strongest party.

Of the three large Islam-based parties, only the PPP (a holdover from the enforced amalgamations of the Soeharto era) is more than 5 years old and has a fairly well-established national organization at least at the province level. The two new (1998) parties, PKB and PAN, had to rely initially on networks of religious leaders and members of the mass organizations out of which they grew (the more rural and eclectic Nahdlatul Ulama and the more urban and fundamentalist Muhammadiyah, respectively), supplemented by other elements that both leaders sought to recruit to demonstrate their secularist and pluralist political principles. But while these networks provided access to local leaders and a grassroots base, the party organizations themselves were often quite informal or intermingled with the mass organizations (e.g., with many officials holding positions in both organizations), and tended to lack discipline, structure, and focus. In the case of PKB a serious effort is now under way to create a more systematic party organization for the 2004 election effort, with a streamlined executive structure adopted at a party congress in January 2002 and a new vice chairman position assigned to strengthen the regional branches.⁴⁸ The obstacles facing this effort appear formidable, but the stated goal is to gain as much as 30 percent of the vote in 2004 (compared with 12.6 percent in 1999).

Party influence

It seems virtually certain that the current major parties will continue to dominate the political scene at least through the 2004 election. The five major parties have the greatest name recognition and identification with core portions of the electorate, and few of the smaller parties will be able to effectively challenge even the poorer performers in this group.

⁴⁸ "PKB amends platform to attract voters," *The Jakarta Post* online, January 24, 2002; conversation in Jakarta, February 2002.

A party led by a prominent military figure might have some chance to attract support, especially from voters fed up with continuing insecurity and seeking strong leadership to overcome political stalemate. However, it has to be rated as highly unlikely that a military party or leader will emerge as a significant power from the 2004 election. That kind of electoral result would probably require that a military figure be recruited as the candidate of a major party, or at least that a military party merge or form a strong coalition with one of the major parties. An example of the outcome of an independent military candidate and party was the experience of the 1999 election, in which the Justice and Unity party, formed by retired military officers and led by former Minister of Defense and Security Edi Sudradjat, won only four seats despite the relatively high name recognition of the standard bearer.

Party fragmentation

All the major parties have public or just sub-surface splits, which may or may not result in more open fractures before the election.⁴⁹ The Soeharto-era Islamic party PPP, whose standing was boosted by Megawati's selection of party chairman Hamzah Haz as her vice president, has already formally split. In January 2002, a breakaway party, "PPP-Reformasi", was established under the leadership of Zainuddin M.Z, a Muslim cleric who emerged as a charismatic preacher in the 1990s. This split essentially reflected an internal power struggle, but the triggering event was Hamzah's decision to postpone the regular party conference (at which the chairmanship is up for election) until after the national election in 2004. This ensured Hamzah's continuation in office and his own presidential candidacy in 2004, but clearly frustrated the ambitions of others, including Zainuddin. (The disaffected group also raised the substantive issue of Hamzah's support for the implementation of Islamic law in Indonesia.⁵⁰) With his own party, albeit a rump group, Zainuddin has now established his own organizational base.

Tensions within Megawati's PDI-P date from before the 1999 parliamentary election when younger party supporters protested the replacement of a number of reform candidates by old functionaries on the party's candidate lists. PDI-P suffered two significant defections in February 2002, in the resignations of DPR faction leader Sophan Sophiaan and prominent reform advocate Dimiyati Hartono. Both cited dissatisfaction with parliamentary performance and ethics as their reason for leaving, hurting the party's standing and perhaps its morale. Dimiyati subsequently formed a new party, the Indonesian Motherland Party (PITA). In July another prominent PDI-P parliamentarian, Indira Damayanti

⁴⁹ For more detailed discussion of the fractures in the major parties, see: "Political Parties Start to Crack, *Van Zorge Report*, Vol. IV, No. 1, January 21, 2002; "Parties in disarray," *The Jakarta Post*, January 10, 2002.

⁵⁰ "Discord over 'Syariah' causes PPP to split," *The Jakarta Post* online, January 7, 2002.

Sugondo, resigned from the PDI-P parliamentary faction in protest over Megawati's decision to oppose the establishment of a DPR investigation into the charges against speaker Akbar Tanjung.⁵¹ At the end of July another splinter party, the Bung Karno Nationalist Party (PNBK), was established by another high-profile PDI-P dissident, singer-composer Eros Djarot. One underlying issue within PDI-P is conflict between early supporters of Megawati and newer PDI-P adherents who are alleged to be opportunistic and interested only in the spoils of power. The splinter parties are given virtually no chance of attracting significant followings or electoral support,⁵² and PDI-P remains both the largest party in parliament and the party of the president. Thus, patronage considerations alone are likely to hold it together at least through the 2004 election, but as of July some party veterans were estimating that PDI-P might draw only 15 to 22 percent of the popular vote in 2004, critically below the 34 percent achieved in 1999.⁵³

Golkar also has serious and visible internal splits, exacerbated by the continuing investigation of Akbar Tandjung's role in misappropriation of funds when he was State Secretary to former president Habibie. This led to calls by some party leaders for his resignation as chairman, and to the formation of a "Rescue Team" in January 2002 attempting to unseat him.⁵⁴ Until his arrest in mid March, however, Akbar appeared to have deftly used the attacks on him to consolidate his grip on the party, weakening and isolating his main internal opposition (a group from the eastern Indonesian provinces led by A.A. Baramuli and others). But this does not mean that Akbar is secure in his position. Unlike Abdurrahman Wahid or Amien Rais, Akbar was not the founder of Golkar, and merely inherited the leadership position; thus it would not be as difficult for Golkar to choose another leader. A younger, Islamic-linked group built around a number of former members of the Moslem Students Association HMI,⁵⁵ which to date has been supporting Akbar (also an HMI alumnus), could end up backing another figure as the party's presidential candidate in 2004. Conviction of Akbar in the ongoing trial (seen as likely, although the severity of the sentence is problematic) would probably trigger an early contest for leadership succession and possible fracturing of the party. In the meantime, a new party established in July by former state

⁵¹ "Indira determined to quit, PDI Perjuangan won't accept," *The Jakarta Post* online, July 17, 2002.

⁵² "Glut of parties, most with emotional appeal," *The Jakarta Post* online, July 27, 2002.

⁵³ "Senior PDI Perjuangan members doubt party's chance of winning 2004 election," *The Jakarta Post* online, July 25, 2002.

⁵⁴ "Golkar joins calls for Akbar to quit post," *The Jakarta Post* online, January 12, 2002; "Golkar torn apart," *The Jakarta Post* online, January 30, 2002.

⁵⁵ HMI has long been a major vehicle for political activity by Islamic students and a launching pad for Islamic political leaders.

minister Ryaas Rasyid (the Unity, Democracy and Nationhood Party of PPDK) appeared designed to appeal to dissatisfied Golkar supporters.⁵⁶

Both of the new major parties founded prior to the 1999 election, PKB and PAN, are held together largely by the political drawing power of their founders (Abdurrahman Wahid and Amien Rais, respectively). Wahid's PKB, now formally headed by Wahid's former foreign minister Alwi Shihab, faced a challenge in 2001 (following Wahid's dismissal from the presidency) from a breakaway faction led by former PKB parliamentary Vice Chairman Matori Abdul Djalil, now defense minister in Megawati's cabinet. Matori had been ejected from the party for attending the MPR session that dismissed Wahid as president (a session officially boycotted by the PKB faction). Matori rejected his dismissal as illegal and organized a "national working conference" of the party in November 2001, claiming rightful title to the party's name.⁵⁷ Despite relatively low conference attendance, Matori's PKB may ultimately win the legal fight over the title, which would cost Wahid's group in terms of public recognition. A more immediate cost to Wahid of the split was the withholding by the government of some \$1.3 million in aid for his group pending resolution of the dispute.⁵⁸ Wahid's better-attended mainstream party meeting, which took place shortly after Matori's, featured a serious first-round challenge to Wahid's nominee for party chairman, former Foreign Minister Alwi Shihab, from a former PDIP member reportedly acting with Megawati's blessing. (The challenger, Syaifullah Yusuf, withdrew in the second round but was rewarded by being selected as party secretary-general, a position from which he could again challenge for leadership in the future.) Divisions within PKB's Islamic support base, the Nahdlatul Ulama (NU), were reflected in Wahid's apparent effort in March 2002 to replace NU's chairman, who had supported Matori in the earlier conflict, and in subsequent consideration within NU of sponsoring its own new political party.⁵⁹

PAN, the smallest of the major parties in terms of its 1999 vote, is almost totally dependent on Amien Rais' name recognition, position as speaker of the MPR, and skills at political maneuvering. For this reason, PAN currently appears least vulnerable to a break-up. However, this party too has internal divisions, particularly between members drawn from Amien's Islamic Muhammadiyah organization and others representing more secularist backgrounds, and has suffered serious defections.⁶⁰ The party's ability to remain intact without Amien is

⁵⁶ The establishment of the PPDK as well as the PDI-P breakaway PNBK are discussed in "More is less" (editorial), *The Jakarta Post* online, July 31, 2002.

⁵⁷ "PKB leadership conflict intensifies," *The Jakarta Post* online, November 15, 2001.

⁵⁸ "PKB – A sad tale of a demoralized party," *The Jakarta Post* online, December 19, 2001.

⁵⁹ "NU mulls proposal to set up own party," *The Jakarta Post* online, May 3, 2002.

⁶⁰ See note 30 above.

highly questionable, and Amien's own credibility problems lead some to doubt that, even with Amien as its leader, the party will be able to retain its fourth-place standing in the 2004 election.

The splits and splintering of the major parties will likely reduce the vote percentage received by the parties in 2004. However, given these parties' established structures and support networks, it still seems probable that at least the mainstream faction in each case will survive the 2004 voting in some form.

It is worth stressing in this context that, in the case of the Islam-based parties, a greater problem weakening their overall political influence is the simple fact that there are so many of them. This in turn reflects long-standing divisions within the Islamic community as well as bitter rivalries among the Islamic political leaders. As in 1999, these conflicts seem likely to prevent any firm alliance among these parties in the 2004 general election, although, as part of the inter-party maneuvering in mid 2002, numerous meetings were taking place among the leaders of the Islam-based parties in an effort to counter the emerging PDI-P/Golkar alignment. In the (now apparently unlikely) event that the second round of voting for president is ultimately assigned to the MPR, there is a greater possibility of some kind of voting coalition among these parties along the lines of the PAN-led Central Axis ("Poros Tengah"⁶¹) of 1999.

Public standing of political parties

A longer-term problem for the Islamic parties is that, despite the general Islamic resurgence in Indonesia, there are indications that public support for Islamic parties is continuing a gradual slide. From the generally accepted base point of 42 percent of the popular vote gained by the Islamic parties in the 1955 election (the only genuinely open election prior to 1999), their support fell to a maximum of 36 percent in 1999 and may currently (based on a February 2002 telephone poll) even be under 20 percent.⁶² The implications of this trend for PKB and PAN are

⁶¹ The Central Axis coalition brought together the principal Islam-based parties, PPP, PKB, and PAN, plus two smaller Islamic parties, PBB (Moon Crescent Party), and PK (Justice Party).

⁶² The maximum of 36 percent for 1999 is computed by combining the percentages of all Islam-affiliated parties; the actual support for Islam-based parties is undoubtedly at least somewhat lower, because more than half of this total was won by PKB and PAN, which campaigned as politically secular, pluralist groupings. The figure for February 2000 is derived from a survey by political-economy research institute LP3ES/CESDA. The LP3ES/CESDA survey interviewed a total of 1236 respondents in 10 Indonesian cities. One fifth of the respondents stated that they had voted for one of the five leading Islam-based parties in the 1999 election. However, reflecting the general decline in confidence in political parties across the spectrum, only a third of this subgroup of respondents said that they now believed that their party was working for the public interest rather than the party's own interests, while fully half the group believed that none of the existing parties were working for the public interest. Although this evidence is neither comparable to nor as strong as the data from the 1955 and 1999 elections, it could be inferred from this

somewhat difficult to predict, because both parties consciously attempted to position themselves as politically secularist and pluralistic in 1999 but did not reap conspicuous electoral gains from that stance. However, PAN seems likely to suffer more in this regard, because of its shift towards a more explicitly Islamic orientation after the 1999 election.

There are also indications that the performance of the political parties as a whole (and the current parliament as an institution) during the period since the 1999 election has led to a significant loss of public confidence. A series of polls sponsored by the leading daily *Kompas* from January 2001 through February 2002 showed strong majorities agreeing that parliamentarians put individual and interest group interests above the public interest, and that the present parliament has a negative image more than 2 years into its 5-year term.⁶³ The fact that, already, 2 1/2 years before the next election, more parties have filed registration applications than did for the 1999 poll, is in part a reflection of this dissatisfaction.

This raises the question of whether smaller or more extreme parties might move into the political space opened up by this discontent. Of the smaller parties, two appear most worth watching—the Islam-based Justice Party (Partai Keadilan or PK) and the leftist People’s Democratic Party (Partai Rakyat Demokratik or PRD). These two ideological opposites share a similar degree of fervor that makes them rallying points for those frustrated with the offerings of the political mainstream.

The PK is by far the stronger of the two in electoral terms. It polled less than 2 percent of the vote in the 1999 election but gained seven seats in the current DPR (where PK participates in the “Reformasi” fraction along with Amien Rais’ PAN). PK’s most prominent characteristic is its purist Islamic program and structure, advocating a strict Islamic state, segregating men and women within its own party organization, and insisting on a stringent moral code for its members. The party’s almost ascetic persona undoubtedly turns away most mainstream or pragmatic political Muslims, but, by the same token, it provides a powerful drawing card for young, fervent, and disaffected members of the Islamic community. This combination of an uncompromising agenda and the potential to attract support leads some political analysts to identify PK as the major threat to a pluralist polity now on the horizon. The PK has maintained its organization and its firm positions

survey that, were a new parliamentary election to be held today, something less than 20 percent of these respondents could be deemed likely to vote for the Islam-based party that they previously supported.

⁶³ *Kompas*, Monday, Feb. 18, 2002. The responses were, respectively: Jan. 2001: Do DPR members speak for their own and group interests rather than the public’s interest? 72 percent agree, 24 percent disagree; May 2001: Are your aspirations represented by the members of the DPR now? 66 percent say no; 26 percent say yes; October 2001: Does the DPR give more priority to the interests of groups or of the general public? 55 percent say group interests, 28 percent say personal interests, 12 percent say public interest; February 2002: Does the DPR have a good or bad image at this time? 70 percent say bad, 17 percent say good. The poll responses were probably skewed toward the negative by the phraseology of the questions, but the results are nevertheless strikingly negative.

through the course of the current DPR, and seems likely to occupy the same fringe position in the 2004 electoral campaign. Barring major internal ructions (which at the moment are not apparent), its vote count should provide a good indicator of the level of radical Islamist feeling and political discontent, particularly within the large cohort of younger Indonesians. Although most observers doubt that the PK will score significant electoral gains, some fear it may win as much as 10 percent of the vote. This would be more than PAN received in 1999 and, in a multi-party parliament, could translate into real leverage for PK and possibly even the balance of power on some issues.

By contrast with the PK, the PRD basically falls outside the boundaries of the normal political contest. It first gained notoriety during the anti-Soeharto protests in early 1998 and was named by the government (on questionable evidence) as having been responsible for several bombing incidents. As suggested by its name, the PRD espouses a radical populist democracy and socialist economic policies. Its essentially revolutionary message, considered by most observers to be too close to that of the long-banned and still anathema communist party, did not prosper in the 1999 election. It obtained a miniscule popular vote (less than 0.1 percent) and won no seats in the DPR. Nevertheless, it remains intact and active—having, for example, been one of the groups involved in demonstrations following the U.S. attack on Afghanistan in October 2001. The PRD will probably be a disruptive factor in the 2004 election campaign even if it is unlikely to register in the outcome of the voting. As with the PK, the scope and nature of the PRD's actions during this period will provide some measure of the level of discontent with the continuing politics as usual in Indonesia.

Conclusion

Attempting to draw an overall picture from these various strands, the likeliest projection at this juncture is that the 2004 election will see the current major parties (in one form or another) retain control of most of the seats in parliament. However, it appears highly improbable that any of the present major parties will significantly improve its percentage of the vote or number of seats. More likely, the next government will have to fashion working coalitions consisting of a larger number of parties with smaller representation in parliament. With the major parties less powerful individually, other elements across the political spectrum may emerge with more leverage over parliamentary decisions. This in turn would only increase the pressures for least-common denominator policies that maximally protect the various vested interests and/or a tendency toward stalemate on major issues, while also increasing the premium on the politics of patronage and payoffs.

Political role of the armed forces

The military seems certain to retain substantial political influence at the national level for the foreseeable future. Although the numbers of military officers serving in nominally civilian positions have declined from the high levels of the Soeharto period (a steady decline that in fact began during the latter Soeharto years), and civilians have consistently been appointed as defense minister in the Wahid and Megawati governments, the military establishment is still a powerful presence in the capital. Military officers (or retired officers) still fill most of the key security-related positions as well as some other cabinet posts. Despite agreement by TNI (and the police) to give up their appointed seats in the DPR (currently 38) after 2004, and in the MPR (also 38) after 2009,⁶⁴ the military will remain a significant presence in the legislative institutions. Military retirees have been entering all the major political parties.⁶⁵ There are differences of view among observers as to whether this development is the result of individual initiative or is being centrally orchestrated by TNI, but, coordinated or not, the result will be advantageous to TNI. It ensures direct military input to party deliberations affecting TNI (e.g., the national defense bill, discussed above) and will also enable TNI to exert targeted leverage by channeling money to parties desperate for campaign funds.

A number of major military figures have also formed their own political parties or are being courted to lead an existing political party. As previously noted, a group of retired officers led by former Army Chief of Staff Edi Sudradjat formed the reform-oriented Justice and Unity Party that contested the 1999 election. Former Chief of Staff and Coordinating Minister for Political and Security Affairs Gen. Wiranto has launched his own political party and will be a presidential candidate in 2004. A spate of reports in March 2002 suggested that current Coordinating Minister for Political and Security Affairs Gen. Susilo Bambang Yudhoyono was being courted as the presidential candidate of the newly formed (largely Chinese-Indonesian backed) Democratic Party. (Susilo publicly denied such political aspirations,⁶⁶ but many saw these reports as signaling the frustration of Susilo and his colleagues with the lack of leadership from Megawati.) Soeharto associate and former Chief of Staff Gen. Hartono is also said to be forming a party.

On the eve of the August 2002 MPR session, the TNI leadership launched a much more direct and muscular effort to preserve its legislative role. Reflecting discussions of constitutional amendments in the MPR, the government's bills on

⁶⁴ The 1999 law on the composition of parliament provided that TNI and the police would leave the DPR and MPR in 2004. MPR Decree No. 7, in August 2000, extended the military presence by allowing TNI and the Police to remain in the MPR until 2009.

⁶⁵ See, for example, "14 ex-generals to join PPP," *The Jakarta Post* online, December 19, 2001.

⁶⁶ "I'm not active in any political party: Security minister," *The Jakarta Post* online, March 21, 2002.

general elections and the composition of legislative bodies submitted to the DPR in June 2002, they proposed to replace the MPR in 2004 with a new upper house, the Regional Representatives Council (DPD). This would eliminate the TNI/police appointive seats as of 2004. The elections bill would allow TNI/police personnel to vote and to run for seats in the legislative bodies; if elected, they would have to resign from their military positions. Although Home Affairs Minister Hari Sabarno and political/security Coordinating Minister Susilo, both retired generals, expressed support for the bill, the serving TNI leadership opposed the new provisions, arguing that the military needed more time to make the transition.⁶⁷ Then, just two days before the convening of the August MPR session, armed forces commander Endriartono Sutarto (at a press conference flanked by all the service chiefs and senior police officials) criticized the constitutional amendment process and announced that TNI would support retaining the 1945 constitution in its unamended form and that TNI would back the reinstatement of the 1945 document by presidential decree.⁶⁸ This move suggested that the military intended to be more openly assertive, at least in the MPR deliberations.

The major political parties have also been courting TNI support, and, in August 2000, a strong majority in the MPR voted in favor of extending the TNI presence in that body through 2009. Thus it seemed likely that some efforts would be made to accommodate TNI's opposition to ending the appointive seats as of 2004. Further, the growing public impatience with the general state of uncertainty and disorder under the present party-dominated system has indirectly improved the image of the military even without TNI having earned new respect through its performance. Thus, the political parties may well see an interest in keeping the TNI/Police seats in the MPR, if only to avoid a sharp distinction between civilian politics and the security establishment.

The military's political alliances

Despite frustration over Megawati's lack of leadership, TNI seems basically content with Megawati as president, at least through the end of her current term in 2004. Megawati both is supportive of TNI and needs TNI's support in the DPR and MPR as well as in the provinces. No other current leading political figure offers TNI the same benefits. Some suggest that TNI supported (or at least did not undermine) the peace agreements reached in late 2001 and early 2002 between the Muslim and Christian communities in Poso and Ambon because they did not want to take the risk that the failure of these efforts might lead to the downfall of Megawati.

⁶⁷ See, for example, "Military agrees to quit politics by the year 2004," *The Jakarta Post* online, June 13, 2002; "TNI pledges [sic] its muscle over political privilege," *The Jakarta Post* online, June 18, 2002.

⁶⁸ "Military, Police call for return to 1945 Constitution," *The Jakarta Post* online, July 31, 2002.

This is not to say, however, that TNI will overtly or explicitly ally itself with PDI-P, or even that it would provide active support to Megawati's candidacy for a second term. Given the wide diffusion of power in the parliament among the major parties, and given the fact that most of the parties seek at least some degree of good relations with TNI, the military would be foolish to cast its lot openly with any one political party (or even a two-party alliance). Cultivating relations with a variety of political parties seems much more promising as a means of maximizing TNI's political leverage and keeping its future options open than throwing in its lot with one.

The same logic applies to the case of a party led by a prominent military figure such as General Wiranto or Coordinating Minister Susilo. Although the military could be very helpful in encouraging local support around the country for such a military candidate, the success of any such electoral campaign would ultimately depend on the candidate's and party's ability to attract support beyond the military and its related interest network. Edi Sudradjat's experience in 1999 provides a cautionary tale about the difficulty military candidates are likely to have in garnering such wider support. Thus, TNI would appear best advised at least to maintain a public posture of neutrality in the coming campaign. The military's leverage would in fact be maximized in a close presidential runoff in the MPR, where (if it is retained in the new structure now being debated in the DPR) the 38 TNI/Police votes could even hold the balance and could swing the majority to the most pro-TNI candidate.

Influence of the armed forces in the regions

Most analysts of Indonesian military affairs believe that the territorial system is not about to go away. In response to widespread criticism, the territorial function has been restructured and given a lower profile within the military hierarchy, but it still exists. Reestablishment of the Iskandar Muda Kodam in Aceh was arguably a response to the specific problem of the continuing secessionist rebellion in that province, but the function of suppressing the rebellion could be—and indeed had been—performed by the deployment of units explicitly formed or trained for this purpose. Re-establishment of the Aceh command suggests that the top levels of TNI are still thinking in terms of the territorial structure and the previous focus on internal security rather than external defense.⁶⁹ In mid July 2002, the new Army chief of staff General Ryamizard Ryacudu publicly rejected calls for the dismantling of the military's territorial network, calling it an “early warning” system to deal with security threats.⁷⁰ The military is also deeply imbedded in the

⁶⁹ In mid-June, 2002, Director General of Defense Strategy Major General Sudrajat was quoted as asserting that TNI headquarters saw no external threats in the near future but did see serious domestic threats. “TNI to continue focusing on internal security,” *The Jakarta Post* online, June 11, 2002.

⁷⁰ “Army to keep network in regions: Ryamizard,” *The Jakarta Post* online, July 14, 2002.

local political structures, occupying seats in all provincial and county-level legislative bodies and playing a major role in patronage and political funding (as well as various legal and illegal business activities).⁷¹

A military takeover?

The balance of conjecture remains that the Indonesian military would not attempt to actually take over government unless it was truly forced by circumstances (governmental collapse, total anarchy and chaos in the streets, multiple major regional rebellions) or was invited to do so by the civilian authorities. A direct military coup or takeover would likely provoke violent opposition from students and some other elements, and would present the military with an even more unstable and challenging security environment than it is dealing with (not very successfully) now. Although some military hardliners presumably would welcome the chance to restore a military-led government along the lines of Soeharto's New Order, the majority in the military leadership would likely prefer a situation in which they could exercise influence or even control (especially in areas of direct interest) through an alliance with a compliant civilian government and friendly factions in parliament. The behavior of TNI's top leaders ever since the anti-Soeharto demonstrations of early 1998, including the fact that General Wiranto did not step in himself when Soeharto resigned, is consistent with this explanation. It is this latter model toward which TNI appears now to be working (albeit quietly).

The possibility of a crisis that might require the military to step in to restore order (and take over policy-making authority in the process) cannot be dismissed. However, current conditions suggest that Indonesia is still far from that point. Feckless as they often appear, Indonesia's existing institutions are still muddling through—or at least muddling along. Further, neither the military nor the civilian political elite now offers any obvious candidates for the kind of charismatic leadership that could rally public support for a more forceful and focused government approach, the surest context for a military resurgence. This context could yet emerge – especially if the current political drift and paralyzing infighting continue. But none of the current leaders or active candidates fits the alternative mold, and no other figures are now in sight.

Political leadership

The combination of party alignments and political personalities in Indonesia today makes it almost inevitable that Indonesia will have to live with weak leadership at least until the 2009 general elections, if not beyond. The unruly, multiparty parliament and the lack of a formal majority (or opposition) coalition

⁷¹ See, for example, "Military back into politics: analysts," *The Jakarta Post* online, January 19, 2002.

ensure difficulty in passing any integrated government program. Also, the available candidates for the top leadership positions generally lack significant experience in governing and are flawed in other ways as well. Finally, Indonesia faces a combination of immediate crises and systemic issues that would challenge the most capable of leaders.

Interestingly, each of Indonesia's past three presidents has presented a different mix of leadership characteristics and weaknesses. Habibie was willing to make tough decisions (e.g., on East Timor) but was often unable to gain sufficient support for his positions either within the government or in the DPR. Wahid was almost too willing to express strong views but was so inconsistent in his pronouncements and uneven in his follow-up that he undermined his own credibility and authority. Megawati began her term with some well-crafted policy statements that emphasized the differences between her style and that of her erratic predecessor, but, since then, has not showed determination in implementing initiatives and, when faced with difficult new problems, has basically reverted to her previous posture of disengaged ambivalence. For different reasons, all three ended up trying to govern from a position of considerable weakness.

None of the other candidates now on short lists as presidential contenders in 2004 (e.g., Hamzah Haz, Amien Rais, Akbar Tandjung) seems conspicuously stronger in overall leadership skills than the incumbent or her two predecessors. Thus, short of a genuine revolution or a military coup (unlikely for reasons already discussed), the expectation must be that Indonesia will have to live with weak leadership and, more broadly, weak governing institutions for some time to come.

Differences under alternative leadership

Despite their common shortcomings, there are differences in the orientation and style among the various current leadership figures and the imaginable alternatives that would affect the country. Megawati's detached leadership style and its impact on government performance have been described above. Amien Rais' main liability as a candidate—that he is almost universally regarded as an opportunist and untrustworthy—does not necessarily disqualify him from being a relatively effective president should he eventually attain that position. (It may be worth noting in this context that B.J. Habibie, who shares some of Amien's more opportunistic traits and was also widely dismissed as a presidential candidate prior to his surprise elevation to the vice presidency by Soeharto in 1998, actually implemented a number of major positive changes—such as press freedom, electoral reform. Habibie might well be viewed more favorably today had his ambition to win the presidency in his own right not led him to make critical errors on the East Timor question and election fundraising.) Amien's political ambition and willingness to shift position on specific issues (perhaps influenced by his study of American politics at the University of Chicago as well as his own experience in

running the large Muhammadiyah organization) could assist him in implementing at least an “art of the possible” program that might actually move the country, and the long-term reform process, forward.

Akbar Tandjung is probably now out of the running due to his own problems with funding issues during the Habibie presidency, but he would have brought the survivor’s skills at political management as well as considerable experience in running government. His vision and charisma are questionable, but as a mechanic he might have run a relatively effective administration and would have tried to address the major current problems. Despite his Islamic (HMI) origins, as a longtime Golkar official Akbar’s relations with the military would likely be relatively smooth.

Although there is no strong military contender in the lists at the moment, the number of prominent military figures being mentioned as possible candidates—including the powerful coordinating minister Susilo Bambang Yudhoyono and the once-formidable General Wiranto—requires consideration of this possibility. Susilo would bring to the presidency his military and government experience and a reputation for pragmatic and sensible policy instincts. On the down side, like any senior military officer, he would bring the burden of a career of associations with the corruption and the institutional interests of the military establishment. While his experience and knowledge would theoretically enable him to frame an effective program of military reform, his connections would likely also inhibit him from making serious efforts in that direction. Within the military Susilo gets high marks for being a good politician, but reportedly there are doubts that he has the capacity for tough decision-making. Wiranto performed a great service to his country during the transition from Soeharto and has a reputation as a careful but independent-minded, decisive leader. Nevertheless, he is personally tainted by his association with the student disappearances and deaths in 1997-1999 that led to his being named as one of the responsible parties by the Komnas HAM investigation of these events. Thus, he would face a major challenge to establish his credibility first with the electorate and then in government.

Other leadership certainly will emerge—eventually. But Indonesian history over the past 40 years convincingly demonstrates that there is simply no way to predict when this will happen or who the new leaders might be. The last two presidents have come, respectively, from the mainstream Islamic and nationalist movements—each with allies from the other stream. New faces within these groupings would clearly bring their own individual styles, but, in the absence of generational or structural change within the parties, the new leaders are unlikely to be able to govern much more effectively than their predecessors. Outcomes would depend on both context and process—context in terms of public opinion and degree of support for real change, and process in terms of how such new leaders would rise to their positions within their organizations. Internal party coups or splits would be more likely to bring genuine reform-oriented candidates

to the fore than the traditional process of competition and compromise between factions based on personalities and patronage. However, a dramatic change of this sort remains at the lower end of the probability spectrum, and the experience with the Wahid presidency showed that even figures with good reform credentials can turn into disappointments in office.

It must also be considered unlikely that radical Islamic or nationalist groups would be able to gain sufficient popular support to put their leadership into central power positions. Should one of these groups experience sufficient electoral success to put them on the parliamentary power map, the odds would be that the lure of greater personal and party power within the system would lead to a certain softening in their revolutionary edge in the course of making alliances and negotiating tradeoffs. A pure opposition party, especially one with truly radical views, would probably not be seen as likely to be effective—and might well be feared as only promising more turmoil—by the wider population groups whose support it would need to make a further significant increase in its votes and seats.

The exception to the above scenario would be an atmosphere of extreme frustration and tension, perhaps catalyzed by major disasters or scandals. This could eventually produce a genuinely pre-revolutionary atmosphere in which radical appeals to primordial associations (religion, nationalism, or possible ethnicity) could have greater success. Again, however, in Indonesia it is difficult to see such a process playing itself out completely within an electoral context. The passions thus aroused are much more likely to stimulate the kind of violence and anarchic conditions discussed in the following subsection—in which the military seems most likely to emerge dominant.

Social reformist leadership and movements should theoretically have good prospects of emerging as an alternative prospect in the current Indonesian context. However, the majority of the political reformers are located in and around Jakarta and a few other large cities, have no political base of their own separate from their lines into the existing power structure, and are not especially concentrated or powerful in any one party. Some reformers have no ties to any political organization, either because they prefer to work outside the existing political structure or because out of frustration they have broken connections established in the heady days of the anti-Soeharto movement and the early post-Soeharto period. Thus, it is hard to envision a unified group with a broad reformist platform coalescing from the existing political elements. Again, this is not to say that a new reformist wave could not form, but this would very much depend on the emergence of unusually strong and forceful leadership from a sector that to date has been better known for high ideals and dogged persistence than either cohesiveness or organizational discipline.

The consequences of continued weak leadership

Continued weak leadership, which, as indicated above, is the most likely condition over at least the next five years, would essentially bring more of the same: a muddle. There would be a high degree of politicization of debate without necessarily addressing the root issues, further drift and compromise in policy, and a lack of a unifying vision or sense of direction to get the country out of its current morass. For reasons indicated in the introduction, this would not necessarily be a highly volatile state of affairs and need not lead to collapse or revolution. The national government and politics still have relatively limited palpable impact on the daily lives of most of the people in the country, and the people have long been accustomed to basically having to fend for themselves even in difficult circumstances. The domestic (largely cash) economy is functioning, and indeed expanding, even in the absence of clear or effectively implemented policies at the center. Such quasi-anarchy would be nearly intolerable to a people accustomed to a functioning government such as in the United States; Indonesians, having never known such a condition, are less sensitive to its absence. The relative stability of the authoritarian New Order qualifies as an exception to this observation, which accounts for a certain nostalgia that has grown in Indonesian society over recent years for those times. However, even during the New Order, the majority of the population regarded government as something with which contact should be minimized.

As in the past in Indonesia, the greatest danger deriving from a continuation of weak and/or feckless government is of a true falling out within the political elite in the scramble for what resources and power are still available. This outcome would certainly not be desired by most of the political elite, who would prefer to maintain the perquisites of their privileged status and the access to other resources that goes with it. However, particularly in the absence of effective leadership and controls, such a crisis could well be the unintended result of increasingly intense maneuvering, uncertainty, and mutual suspicion among the competing political elements. Following the pattern of 1965, 1974, or 1998, a serious power struggle within the ruling political elite could quickly bring in wider elements of the elite (e.g., students) and public (e.g., criminal elements and the urban poor). This in turn could easily produce widespread chaos and property damage and potentially massive casualties, and probably – eventually – the reassertion of control by whatever elements of the security establishment have the best combination of location, leadership, and cohesion. But both the fresh recollection of the experience of 1998 and (paradoxically) the relative restraint exercised by most participants in the 1998 events argue against such a no-holds-barred power struggle at the top with all the attendant dangers that the situation would slip totally out of control.

National institutions

Parliament

Indonesia's parliament today has far more power and prominence than during the Soeharto administration (and even during that period it was not always the rubber stamp that it is often characterized as being). Through its dominance in the membership of the supreme representative body, the MPR, it has successfully moved to increase its own power and authority vis-à-vis the executive branch. The fact that it successfully impeached sitting president Abdurrahman Wahid in 2001 removed any doubt on that score.

The parliament also functions relatively well as a forum for political negotiations among the parties and factions, dividing up responsibilities and the perks of office, as well as debating (and sometimes dodging) major political questions. Examples are the corruption charges against Wahid that provided the legal basis for his impeachment, or more recently similar corruption charges against DPR speaker Akbar Tandjung; proposals for structural reform are another example. These are matters that the politicians understand very well and that have a direct impact on their own positions and party interests.

One area in which the parliament has gained particular prominence since the fall of Soeharto is oversight. (This trend dates from the latter years of the Soeharto period, when hearings became one of the few openings for legislators to question government actions and directly exert influence on government behavior.) The parliamentary commissions regularly hold oversight hearings at which ministers and other government officials appear to discuss areas of policy or current problems. A number of the commissions, particularly the budget commission, have become quite adept at using such occasions to ask probing questions and air differences with government policies. Press coverage of these events provides further attention and impact. At the highest level, the president's annual accountability speech to the MPR and the discussions within the assembly to formulate a response to the speech allow the assembly to comment broadly on the president's actions, including expressing reservations or signaling expectations of future action by the government. The oversight process has rapidly become a genuine exercise in two-way dialog between the executive and the elected representatives. (As noted in the first part of this report, at present there is a tendency to overuse the oversight process for purposes of political point scoring, diverting government officials from their policy-making and executive responsibilities. However, as a legislative mechanism, properly utilized this is potentially a major element in creating a more responsive and effective parliamentary system.)

Strong party controls seriously limit the ability of individual members to take independent initiatives or fully exercise the expertise they may have. Under Soeharto, an outspoken member risked being expelled from his faction and the parliament (as happened on several occasions). The present process is less centralized but not necessarily more conducive to full and constructive debate on issues. For example, a faction member requesting assignment to a committee dealing with structural reforms can be told by the faction leadership that the condition for appointment is that the member support maintaining that faction's vested interest in the status quo.

A final area where members of parliament wield significant influence is in funding matters, particularly related to program implementation. However, as currently practiced, this role too frequently has a perverse impact. Members are said to pay little attention to the broad legislation establishing programs, but, when it comes to detailed provisions affecting the allocation of funds, they show more intense interest—presumably because such provisions directly affect how resources can be accessed. Thus, the parliament's old reputation as a political bazaar has not (yet) significantly faded.

The parliament's ability to process—much less originate—complex legislation on administrative, legal, or technical subjects remains limited. The problem starts with the MPs themselves; for the most part, they are not expert and certainly not accustomed to taking the initiative or responsibility for legislation. Despite earnest efforts by various domestic and international organizations at capacity building for the DPR, the parliament's institutional capability to support the legislative function is still inadequate. Most serious legislation is drafted outside the parliament—often completely outside the government—and frequently is given little detailed substantive review by the relevant parliamentary committees. Jakarta political observers are generally quite scathing in their characterizations of this aspect of the parliament's performance. (However, the very fact that the process has thus far proved nearly impervious to such criticisms only demonstrates—and presumably reinforces—the shamelessness and relative impunity of the current political elite.)

The bureaucracy

The Indonesian bureaucracy today is a conundrum. Civil servants are grossly underpaid, largely bereft of the status and income they received in the early independence period when a government job was a nearly universal aspiration, derided by critics for mediocrity and resistance to change, and reviled by much of the public for laziness, corruption, and venality. Thus, the morale and self-image of the garden variety “pegawai negeri” (civil servant) are not particularly conducive to dedicated and disciplined performance, although most civil servants appear to adequately compensate for the indignities through the perks and lucre their positions offer.

One of the keys to the success of Soeharto's "New Order" was that it managed to co-opt the previously highly politicized and divided civil service into a unified, nominally non-political organization under the government-sponsored Golkar. Having separated the civil service from the parties, the Soeharto regime then turned the civil service into a relatively effective governmental and political vehicle. On the one hand, it implemented high-priority programs that included the remarkably successful conversion to high-yield rice varieties (which enabled the country to feed itself by 1984 for the first time since independence), the achievement of nearly universal primary education, the drastic lowering of the population growth rate through a nation-wide family planning program, and other improvements in the national infrastructure and welfare. On the political side, the bureaucracy helped deliver overwhelming majorities in the 5-yearly elections that ratified and renewed Soeharto's control. However, as the Soeharto government itself acknowledged, efforts to reform the underlying bureaucratic culture and to raise overall performance standards were far less successful.⁷² Outside of the high-priority programs and political tasking, the bureaucracy largely continued in its traditional effort-minimizing and revenue-maximizing ways.

Since the fall of Soeharto in 1998, there has been a major restructuring of the bureaucracy, including the transfer of large numbers of central ministry personnel to the payrolls of the regions in which they had been stationed as well as some manpower reductions in Jakarta staffing levels as part of the decentralization effort. These changes may, over time, bring about improvements in performance. Also, some civil servants have played important roles in planning and undertaking the various reform efforts, and a number of potentially promising initiatives are under way.⁷³ But thus far the overall reputation of the civil service for efficiency and honesty has not improved, and it is not clear that any of the successor governments have managed to mobilize the bureaucracy as an instrument for change and delivery of government programs to the degree that was the case under Soeharto's New Order government.

One thing that has not happened following the fall of the New Order regime, at least to date, is a major re-politicization of the civil service. Nevertheless, especially

⁷² For an assessment of the various efforts under the Soeharto regime to reform the bureaucracy, see T. A. Legowo, "The Bureaucracy and Reform," in R.W. Baker et al., editors, *Indonesia: The Challenge of Change*, Singapore: Institute of Southeast Asian Studies, 1999, pp.81-98.

⁷³ One particularly interesting example of an effort to create a less corrupt and more efficient bureaucracy is a recently launched "Large Taxpayer's Office." This office is designed to focus on the 200 largest corporate taxpayers who account for almost 25 percent of the government's total tax receipts, a figure that is nevertheless estimated to represent only 50 percent of the potential revenues due from these payers. As an incentive and deterrent to personal corruption, staff in this office are being paid 20 times the benefits of standard civil servants, putting them in a salary category equivalent to senior officials and close to members of Parliament. See "Tending to the big fish," *The Jakarta Post* online, July 5, 2002.

as the 2004 election approaches, increasing penetration of the bureaucracy by the political parties has to be expected, along with the increased favoritism and intra-bureaucracy conflict that inevitably accompany politicization.

Thus, the overall outlook for improvements in the quality and effectiveness of the Indonesian bureaucracy over the next 5-plus years has to be rated as low. At the most fundamental level, the government cannot now afford to pay salaries that are sufficient to meet civil servants' financial needs and expected standard of living.⁷⁴ And with Indonesia's current indebtedness and budget deficits running at 5 percent of GDP, it will be many years before the government will be able to even consider pay raises of the magnitude required. Other piecemeal steps may be taken in the meantime, but these would probably affect only certain priority sectors or levels of employees.

The judiciary

There are no indications that the Indonesian judicial system is becoming stronger or is likely to do so in the foreseeable future. The current judicial culture is simply too pervaded by corruption, political intervention, lack of independent thinking, and simple incompetence to be readily susceptible to significant improvement in performance, let alone genuine reform in the near or medium term. One high-profile legal reformer (Todong Mulya Lubis) argues that reform needs to start at the top, with the Supreme Court, but few Indonesian lawyers with good reputations (including Lubis) are willing to take these jobs. A former deputy chief justice (dismissed after angering the political leadership by releasing a defendant on double jeopardy grounds) opined that reform of the judiciary would require replacement of the entire judiciary and prosecutorial apparatus, which would take a full generation to accomplish. A special United Nations rapporteur sent to examine the independence of the Indonesian judiciary in July 2002 essentially confirmed what was already common knowledge, labeling the judiciary as "a breeding institution for corrupt practices" and calling for "highest priority" to be given to this "menace."⁷⁵

Given this context, there is understandable skepticism that serious action will be taken in politically delicate areas such as human rights violations or high-level corruption. In cases of human rights violations by military personnel, such as the 1998-99 student killings and disappearances or the 1999 East Timor atrocities, the pattern to date has been one of extended delays in proceedings and ultimately modest sentences imposed on middle and low-ranking personnel involved. A

⁷⁴ Precise calculation is nearly impossible, but many knowledgeable Indonesians agree with the rough estimate that civil service salaries may cover only 20 percent of the level required to forego supplements from various illicit and/or outside sources.

⁷⁵ "Govt urged to purge judicial corruption," *The Jakarta Post* online, July 25, 2002.

series of ad hoc courts was finally constituted in February 2002 to hear the East Timor cases (with defendants including several army and police generals but not higher-level military commanders such as former Armed Forces Chief of Staff Gen. Wiranto or the principal leaders of the Timorese militias). As of mid-2002 the first set of trials was still ongoing, with no end in sight and continuing stonewalling from the TNI leadership.

Pursuit of conspicuous corruption cases (such as those of Tommy Soeharto or DPR speaker Akbar Tandjung) has been similarly tortuous and half-hearted. A few prominent figures close to Soeharto such as Bob Hasan were tried and convicted to jail terms relatively soon after Soeharto's downfall, fraud charges were filed in June 2002 against Soeharto's magnate stepbrother Probosutedjo,⁷⁶ and numerous other cases are in various stages of investigation.⁷⁷ However, there has been no comprehensive or sustained effort to identify and punish the kleptocratic class that prospered so visibly especially during the latter years of Soeharto's rule. Both the weakness and pervasive corruption within the legal establishment and the fact that corrupt dealing extended so broadly among the big businessmen and their political allies limited the prospects for vigorous action on this front. Reformers succeeded in persuading the parliament to pass a toughened anti-corruption law in 1999, but implementation by the attorney general's office and the judiciary has been weak. In one notorious case, not long after the new anti-corruption law went into effect, an intermediate court in Jakarta dismissed charges against two lower court judges on the grounds that passage of the new law had nullified the old law (under which the charges had been brought), but the new law had not yet taken effect!⁷⁸

Further reducing the prospects of energetic prosecutions, the current attorney general—a career bureaucrat from the attorney general's office not known as a boat-rocker—is generally considered to be one of the weakest of Megawati's appointments. Thus, in March 2002, when a proposal to create a special DPR commission to investigate the charges against Akbar Tandjung (the same type of commission that had started the process leading to the impeachment of Abdurrahman Wahid) was defeated—after Megawati's PDI-P announced its opposition on the grounds that the matter was best left for legal investigation by the attorney general's office—many Jakarta observers believed that this step virtually ensured that nothing would happen. The subsequent arrest of Akbar in

⁷⁶ “Probosutedjo facing fraud charges,” *The Jakarta Post* online, June 14, 2002.

⁷⁷ Of over 50 “big fish” corruption cases, as of April 2002, only two of the leading figures involved (prominent Soeharto crony Bob Hasan and supermarket magnate Richard Galeal) were serving jail terms. Three more had been convicted but were free pending appeals, and there were ten ongoing trials. Strong suspicions persisted about the integrity of the processing of the outstanding cases. See *Van Zorge Report*, Vol. IV, No. 6, April 3, 2002, pp. 37-38; Vol. III, No. 18, October 19, 2001, pp. 32-33.

⁷⁸ *Van Zorge Report*, Vol. III, No. 17, October 1, 2001.

March and the launching of an expedited trial indicated that the president had finally directed the attorney general to proceed with prosecution in that case. At approximately the same time, a longstanding corruption case against the governor of the central bank (Bank Indonesia) Sjahril Sabirin ended in his conviction. But it remained highly questionable that these events signaled the start of a concerted legal offensive.⁷⁹

The medium-term prospect is therefore the continuation of the current weak, corrupt system that protects vested interests, is readily manipulated by the dominant political forces, is not respected, and does little or nothing to advance the cause of justice or reform. In the economic area, the weakness of the legal system will remain one (though not the only and probably not the primary) factor discouraging new foreign investors from taking the plunge into Indonesia. A decision in mid June 2002 by a Jakarta commercial court finding against a large Canadian insurance firm that had bought the assets of a bankrupt Indonesian company formerly owned by a major Indonesian family conglomerate was seen as demonstrating the continuing bankruptcy of the commercial courts.⁸⁰ The case was sufficiently egregious and embarrassing that the Supreme Court overturned the decision in record time and ordered an investigation of possible bribery of the judges who issued the original ruling, but further damage to international business confidence had already been done.⁸¹

The regions

Influence at the center

Regional interests already have both significant autonomy from the center and significant influence on central government decisions, largely through links with parliamentarians. The very weakness of the central government in the post-Soeharto period to date is a principal factor fueling the continuing process of devolution of power to the regions and providing new political space for local

⁷⁹ Examples of the mixed signals in recent cases: Akbar Tanjung was released from detention shortly after his arrest, was allowed to travel internationally (to make the haj pilgrimage to Mecca), and continues to serve as speaker of parliament even as his trial proceeds. The prosecutors in July asked for a minimal four-year sentence. Sjahril Sabirin, sentenced on March 18 to serve three years for his involvement in a Habibie-era scandal involving the Bank Bali, also remains free and in office, pending appeal. Reportedly some have argued that Sjahril should be allowed to remain in office rather than going to jail because the bank has been doing relatively well under his leadership in the recent period. *Van Zorge Report*, Vol. IV, No. 7, April 18, 2002.

⁸⁰ See "Court verdict on Manulife upsets Canadians," *The Jakarta Post* online, June 15, 2002.

⁸¹ See "Power, Money rule RI's judiciary: experts," *The Jakarta Post* online, July 8, 2002; and "Three Manulife judges may be indicted for bribery," *The Jakarta Post* online, July 25, 2002.

people to demand more accountability and better services. For the long run, the formal autonomy process has advanced farthest in the two provinces with active secessionist rebellions—Aceh and West Papua. In these two cases the government has consciously attempted to accommodate local aspirations with special legislative grants of authority (see the paper by Barbara Harvey in this study). Whether or not the autonomy packages satisfy the people of the two restive provinces, it seems likely that the concessions to Aceh and West Papua will prompt similar demands from other regions with grievances against the central government, resulting in some further expansion of the scope of regional autonomy. For the long run, movement in the direction of a more federal system is probably an essential element in the eventual creation of an effective and responsive governmental and political system for Indonesia, but for reasons peculiar to Indonesia's revolutionary history this will be a difficult and politically emotive passage.⁸²

A certain shakedown period was inevitable in the process of implementing the new regional autonomy legislation, and many of the results to date have been quite problematic. The focus of the 1999 autonomy legislation on the county-level *kabupatens* and municipalities⁸³ has nominally empowered some of the weakest governmental units in the system, producing a good deal of confusion and ineffectiveness.⁸⁴ Among other things, autonomy has led to a crazy-quilt pattern of new taxes and other levies that are a significant new headache for foreign investors, and to an increase in unregulated or illegal, though officially sanctioned, exploitation of local resources such as forest logging, which will have negative environmental and economic consequences. Corruption at the regional level is at least as bad as at the center, as indicated in the report that over 40 percent of the funds allocated to the regions in 2001 (the first year of the decentralization scheme) did not reach the intended programs.⁸⁵

The potentially negative influence of regional interests on central government policies was well illustrated by the experience with the effort to sell the state-owned Semen Gresik industrial conglomerate to a Mexican firm, an effort that was stalled

⁸² See the following note.

⁸³ The 1999 decentralization laws focused on the *kabupaten* rather than province level because of a historical allergy in Indonesia to federalism. The Dutch, attempting to preserve their influence in the outer islands, insisted on giving independence to a federal United States of Indonesia, with substantial autonomy residing in the provinces. Within a year, the nationalists had collapsed the federal system into a unitary state centered on Jakarta. Thus the very word “federalism” became a taboo in the Indonesian political vocabulary, a stigma that was only reinforced by provincial secessionist rebellions in 1958. Thus the drafters of the decentralization legislation found it politic to avoid the province level.

⁸⁴ See “Regional autonomy, a double standard set in motion,” *The Jakarta Post* online, December 27, 2001. Strains in province-*kabupaten* relations in Bali under the decentralization are described in “Bali demands a greater share in autonomy era,” *The Jakarta Post* online, December 27, 2001.

⁸⁵ See note 17 above.

and then effectively gutted by resistance from West Sumatran interests to the inclusion of the Gresik affiliate Semen Padang operation in the deal. Semen Padang had served as an important cash cow to a variety of local official and political interests, who feared they would lose this access if the plant were turned over to foreign control. As in other recent divestiture cases, the forces opposed to the Semen Padang sale cloaked their real motivations behind emotional nationalistic arguments that Indonesian assets should not be turned over to foreign interests.

The various problems that have arisen in implementing the decentralization laws led the Megawati government in late 2001 to propose amendments to these laws designed to tighten monitoring and controls. However, such was the power of the new units in the DPR that this effort was effectively stalled and in May 2000 was formally postponed (ostensibly pending the results of a study).⁸⁶ As of this writing, the prospects for significant revisions of the laws or other steps to rein in the excesses of regional autonomy are very dim.

Indonesia's provinces vary widely in their endowments and strength, and their relationships with the center under a more decentralized system will be correspondingly complicated and uneven. In one sense, the provinces with most independence from Jakarta are the most rebellious provinces—Aceh and West Papua. These provinces also happen to have significant mineral wealth (though this resource is declining rapidly in the case of Aceh), but it is their restlessness and desire to be left alone rather than their resources that gives them bargaining leverage vis-à-vis the center. Further, relative strength vis-à-vis the center does not necessarily translate into strength as an independent unit. West Papua in particular faces major obstacles developing an effective structure to manage the province's newly won autonomy, despite its expected wealth. Elsewhere, some of the most populous and therefore politically strongest provinces in terms of their representation in the central parliament, especially the provinces on densely populated Java, are likely to remain heavily dependent on Jakarta in financial terms because of their own huge infrastructure needs and limited sources of export revenues. It will be some time before a new stable balance of power is reached between the center and the various regions.

Inter-region relations

The evolution of inter-region relations may become an important factor influencing Indonesian domestic political dynamics in the medium term, but the prospects in this regard are particularly difficult to forecast due to the number of variables involved. However, it is possible to say that at present no tendencies are visible toward the emergence of regional clusters or dominant provinces. There

⁸⁶ See note 18 above.

have as yet been no demands for mergers or reconsolidation of regional units. (A nominal exception is West Papua, which successfully resisted efforts during the Habibie presidency to divide West Papua into three provinces. However, this was a special case because the initiative to divide the province came from the center and was intended to weaken the separatist movement advocating independence for all of West Papua.) To the contrary, the continual emergence of new local demands for yet more new provinces and kabupatens suggests that the process of devolution is a powerful one not likely soon to yield to reamalgamation—either formal or informal, and either at the provincial, island, or national levels.

Over time, some provinces may come to exercise influence or even domination over neighboring provinces, particularly if the current devolution process continues and the center continues to lose power. But at the moment there are no signs of “big-man” provinces emerging even on the larger islands such as Sumatra or Sulawesi. Again there is a discontinuity in many cases between economic wealth and human resources. For example, an oil-rich Riau Islands province, if eventually approved, will have wealth but neither the population base nor (at least for the present) the political ambition to exert influence on other provinces. The regional governments are having enough problems obtaining, absorbing, and exercising increased powers of self-government to be turning (yet) to thoughts of expanding their spheres of influence.

Civil society

A vigorous and growing civil society is a helpful but not sufficient condition for improved governance in Indonesia. Indonesia has a relatively rich tradition of civil society, though its relationship with and impact on government have varied over time.⁸⁷ We can expect Indonesia’s civil society institutions to continue to operate and expand in basically the same areas where they exist now: social welfare, community and economic development, promotion of legal protections and human rights, political and government oversight (including election monitoring), and the environment. The media, unions, academia (including student organizations), intellectuals, and the artistic community are also important elements of Indonesian civil society. Religious organizations such as Muhammadiyah and Nahdlatul Ulama are another major force, and it is particularly important that this force (and other communal-type organizations) be used for community-building rather than divisive purposes. And Indonesians, at

⁸⁷ This discussion draws on a case study concept paper presented by Edward Aspinall of Australian National University at a workshop at the East-West Center in March 2002. Aspinall’s thesis is that Indonesian civil society’s ability to contribute to democratic consolidation is as dependent on successful state reform as it is on the progress of civil society per se. This paper will appear in a forthcoming book on civil society in Asia edited by Dr. Muthiah Alagappa.

least at the elite level, are highly conscious of the potential role of civil society as a check on government and political parties.⁸⁸

Ultimately, however, the civil society institutions depend for their effectiveness on a political and governmental structure that is accommodating and provides a positive environment in which these institutions can function. Civil society can exploit openings into the political system and use these links to exert influence, but civil society on its own has little ability to force change. Even during revolutionary or other sudden structural shifts, the practical influence of civil society institutions can be quite limited, as they are rarely prepared for such chaotic conditions and can easily be swept aside in the tumult.

In short, it would be unwise for external donors and other interested groups to count on the further growth of Indonesia's civil society institutions alone to drive further reforms in Indonesia in the near term. This is another reason to anticipate that the reform process will continue to be incremental, disjointed, and gradual.

Ethnic conflict

Ethnic conflict will continue to be a major theme in Indonesian politics until there can be a more stable political accommodation at the center. Local tensions have underlain the outbreaks of violence in recent years in Maluku, Poso (Central Sulawesi), and Kalimantan, often set off by minor incidents. National-level politicians and security forces have not been able to bring these conflicts under control, and indeed have often complicated or intensified them, but, most critically, the weakness of the central institutions has allowed the local conflicts to erupt and expand without effective checks. A return to the overall level of stability and authority achieved during the New Order, which seems essential to the prevention and control of local conflicts over the long term, will only be possible once the national institutions are made more cohesive and effective.

The most immediate danger to the country from ethnic conflict is that the continuing outbreaks of communal violence in various locations throughout the country can only further erode confidence in the security authorities and the central government, weakening the fabric of Indonesian national integrity. An even greater danger over the medium term is that, in the absence of an adequate response by the national government, conflicts that began as local matters will

⁸⁸ For example, a recent editorial in *The Jakarta Post* concluded a gloomy discussion of the likely ineffectiveness of new reformist political parties with the following assertion: "In democracy, we need checks and balances. Those who prefer to stay out of politics are able to join the media, non-governmental organizations or become academics to counter the power of government and political parties. That way the empowered public can balance the powers that be." "More is less," *The Jakarta Post* online, July 31, 2002.

spread more widely. Although this seems unlikely in the case of some strictly ethnic conflicts (such as that between Dayaks and Madurese in Kalimantan), if only because of their limited geographic dispersion, religious conflict—most specifically conflict between Muslims and Christians—has far greater potential for contagion. The Muslim-Christian conflict that originated in Ambon spread to Halmahera and elsewhere in Northern Maluku, drew in elements from outside the region on both sides (most notoriously the Muslim Laskar Jihad), and then was replicated in Central Sulawesi. It could easily spread further, even to Java—fanned by organizations such as the Laskar Jihad that would like to use this inter-religious conflict as a means of pressing its Islamic agenda on the central government.⁸⁹

The longer term

The longer-term outcomes are currently impossible to predict. Most probably there will be different outcomes in different specific situations, ranging from conciliation within the affected communities, de facto “ethnic cleansing,” and/or the reversal of internal immigration/transmigration patterns, suppression of conflict by government forces or in some cases chronic continuing violence. For example, government efforts in late 2001 and early 2002 to promote conciliation of Muslim-Christian conflicts in Central Sulawesi and Maluku met with some success, while in other areas such as Sempit in Central Kalimantan the net effect of ethnic conflict has been to reverse the transmigration process, with many Madurese immigrants fleeing back to Java. Although not (yet) marked by violence, there are also indications that decentralization may have set in motion a broader process of bureaucratic ethnic cleansing in the regions, with local governments giving preference in hiring to candidates indigenous to that area.⁹⁰ In other cases the process of creating new provinces and kabupatens may dampen historic local communal grievances. The security forces may be able to reimpose a degree of order in some relatively small-scale situations, but overall a continuation of the present pattern of sporadic outbreaks of violence has to be expected for a long time to come.

Outside intervention

Localized communal conflicts per se are less serious as a possible source of intervention and recruitment in Indonesia by outside states or groups than the

⁸⁹ A good discussion of the political context of the rise of Laskar Jihad is found in Michael Davis, “Laskar Jihad and the political position of conservative Islam in Indonesia,” *Contemporary Southeast Asia*, Institute of Southeast Asian Studies (ISEAS), Vol. 24, No. 1, April 1, 2002, especially the subsection on “Jihad in Maluku.”

⁹⁰ This trend was sufficiently serious that Megawati felt it necessary to publicly denounce the practice in February 2002. See “Megawati slams regionalism in recruitment,” *The Jakarta Post* online, February 12, 2002.

continuing weakness and immobilization of the central government. A stronger central government would be able to deal more effectively with the really violent, extreme groups (such as Laskar Jihad or the Islamic Defenders Front [FPI]), which provide the principal openings for penetration by foreign movements bent on fomenting or profiting from conflict. Further, insofar as these domestic violent groups have been co-opted, protected, or even created by elements of the Indonesian security establishment, this too points to the fundamental role of domestic institutional incapacity in this problem and therefore the importance of institutional capacity-building to its ultimate resolution.

U.S.-Indonesian relations

The preceding analysis has several implications for U.S. policy toward Indonesia.

The Indonesian political system and government performance are not going to change rapidly, and the United States (and other donors) must calibrate both our expectations and our investments—including efforts to exert leverage—accordingly.

It is in the U.S. national interest to continue to support the evolution of Indonesia's civil society and political and economic institutions in directions that both deliver more effective results for the Indonesian people and are compatible with our interests and fundamental values. But this will be a long and slow process, is likely to be punctuated with failures and setbacks, and will ultimately be driven by Indonesian dynamics rather than outside influences. We need to recognize this fact and reflect it in our strategy, priorities, and resource allocations. Unrealistically high expectations and over-ambitious levels of investment are only likely to produce further disillusionment and alienation on both sides of the process.

Nor are there any short cuts or easy formulas for the exercise of effective influence on the evolution of Indonesia's governmental system. The current emphasis on supporting the growth of civil society through such means as training programs and assistance to NGOs is a valid part of an overall strategy but will also not produce rapid results and cannot be force fed. Representatives of NGOs themselves warn that attempting to channel significantly increased assistance flows through NGOs will only produce a repetition of disappointing experience with government organizations as the NGOs' own institutional capacity is exceeded and as new, unproven NGOs enter the field simply to exploit the availability of funding.⁹¹

U.S. policy should draw a clear distinction between support for Indonesian domestic reform and more immediate issues in U.S.-Indonesia relations.

As previously argued, positive evolution of Indonesia's political and governmental (and economic) systems is in the long-term U.S. interest, but this objective needs to be pursued for the long term and at a pace that is realistic. In the meantime there are immediate issues in U.S.-Indonesian relations that need to be dealt with in a more short-term time frame. These include issues with respect to terrorism, human rights, and related subjects that are both important to the United States and emotional and divisive issues in Indonesian domestic politics. These issues are best addressed directly and on their own merits, and not linked to other U.S.

⁹¹ Conversations with NGO leaders in Jakarta, February 2002.

programs. Attempts to utilize long-term programs as leverage for short-term objectives could well simply endanger both objectives.

The terrorism issue should be addressed with a combination of minimum public pressure and maximum private frankness.

Indonesia has been a collateral victim of September 11, because of the combination of the fractured state of domestic politics and the country's continuing economic crisis and dependence on external assistance (and forbearance). The Indonesian government is still in denial about the terrorist threat, both because of its political weakness (reluctance to provoke extreme Islamic elements) and because of the weak capability of Indonesia's internal intelligence and security forces.

There is a need—and value—for real collaboration by Indonesia with the United States (and its neighbors) in addressing the terrorist threat. But successful collaboration will require a change in tone on both sides. The U.S. needs to speak carefully to the Indonesian audience, with a public message as positive and non-threatening as possible, and a private message that is sympathetic to Indonesia's problems but frank as to U.S. expectations and requirements. We need to be conscious of the difference between the way domestic and international audiences hear what President Bush and other American officials such as Deputy Secretary Wolfowitz say. We will always be afflicted by provocative misinterpretations by the press as well as by some of our interlocutors,⁹² but this is part of the challenge. On the Indonesian side, if Indonesia's leaders have any serious interest in working cooperatively with us (and their neighbors), they need to acknowledge the existence of the terrorist problem, say yes to the need to investigate, and, if necessary, state their willingness to do something about local manifestations.

⁹² For example, in February 2002 Deputy Secretary Wolfowitz' assurances to a group of Indonesians that the United States had no plans to invade Indonesia produced a wife-beating story on the Indonesian Antara news service and correspondingly distorted headlines in the Indonesian press, e.g. "US drops plan for RI military strike," *The Jakarta Post*, February 11, 2002, page 1.



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